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Trinidad Union Supports Action by Guyana's WPA

32980079c Bridgetown CANA in English
1550 GMT 11 Nov 87

[Text] Port of Spain, Nov 11—Trinidad's Oilfields Workers Trade Union (OWTU) has supported a call for Guyana's National Assembly (Parliament) to end its current recess to deal with major issues, including a fuel shortage.

The call was made by the Working Peoples Alliance (WPA), a Guyanese opposition party.

In a cable to the WPA Tuesday, the OWTU said it supported the move for an immediate commencing of Parliament to deal with (the) national crisis.

The cable, signed by the union's Acting President General, Errol McLeod, came amidst a hunger strike by WPA co-leader Eusi Kwayana aimed at the reconvening of Parliament. Kwayana said the fuel shortage was critical.

/06662

Caribbean Church Organ Criticizes Clandestine Role of U.S.

32980079a Bridgetown CARIBBEAN CONTACT
in English Nov 87 p 3

[Editorial: "Economic Crime and Democracy"]

[Text] One of the many ironies of life in the Caribbean is how often the virtuous declarations of our political leaders about justice, legality, democracy, freedom, etc. become refuted by the revelation of some folly in which they have engaged themselves.

They can become expansive, dutiful and self-congratulatory when they are going on about subjects such as democratic systems, free and fair elections, legality and justice and the like and can behave in much the same way as the Pharisee who "stood and prayed thus with himself, God I thank thee, that I am not as other men are."

Early in October a 3 day workshop on economic crime was held in Barbados. Participants were drawn from nearly every Caribbean state among others. Its purpose was to discuss measures to combat the "white collar" crime which is now sweeping the Caribbean.

Economic crime includes corruption in public office and the clandestine appropriate of funds for purposes which have not been given legal sanction. Economic crime flourishes not only because it is lucrative, but also in some cases, because those involved in it are legally trained and know how to skirt the thin edge of legality.

Around the same time Caribbean lawyers, bureaucrats and policemen were engaging in the exercise of examining methods to curb economic crime, excerpts from Bob Woodward's "Veil: The Secret Wars of the CIA 1981-87" were published.

"Veil" is about how the late William Casey as director of the US Central Intelligence organised and managed covert operations to augment Reagan's tough image throughout the world.

The CIA paid millions to support political parties and leaders around the world including some in the Caribbean even though there have been denials from those leaders that they received any money.

Only the most naive would be totally surprised by some of the revelations and the allegations that some Caribbean leaders of government received funds for persuasive purposes during the 1983 crisis in Grenada and for aiding and abetting the subsequent US invasion of that island.

The lawyers will no doubt debate whether the acceptance of CIA's funds is an "economic crime", for that arrangement if it ever did take place will never be tested in a court of law. The more sinister feature of the CIA's activity is the acknowledgement that large sums—by Caribbean standards—of money were used to subvert the electoral process in Grenada in 1985.

Casey admitted that the CIA used funds during the campaign for the 1985 general elections in Grenada to ensure that the Maurice Bishop Patriotic Movement (MBPM) the rump of the New Jewel Movement (NJM) was not elected to run the country and at the same time to ensure that a political party or a group of politicians who would be partial to the aims and policies of the USA in the Caribbean would form the administration.

One question will necessarily be asked about the Government of Grenada: It is this: the elections may have followed the required legal process but given the information which is now known, does the Government have any legitimacy? Some members who helped form that Government clearly have their doubts now.

There is another aspect to the CIA angle. There are some who have wondered about what truly went on in Grenada during those fateful days in October 1983. Some one has even asked whether the report is accurate that the late Prime Minister of Barbados J.M.G. (Tom) Adams warned Unison Whiteman that he would be killed if he returned to Grenada. If that report was accurate, how did Adams know at the time what eventually was to take place later?

And then there is the question about the role of Oliver North who was somewhere in the region at the time. Was the "palace coup" by Coard and his comrades indeed a "palace coup".

Mr Adams is dead. Mr Casey is dead. The White House files have been shredded. It is unlikely that we shall ever know the precise nature of the events of that October.

Nevertheless it does become a little frightening, and does cause us more than a little "angst" and cynicism when we consider that our leaders can after the most earnest protestation of justice and fair play deal with our lives for a mess of pottage.

/06662

Catholic Bishops Voice Support for OECS Unification

32980079b *Bridgetown CANA in English*
2138 GMT 27 Nov 87

[Text] Castries, Nov 27—Roman Catholic bishops of the Eastern Caribbean have come out in support of the proposed unification of the Eastern Caribbean, and urged that fundamental human rights be incorporated into the constitution of the new political federation.

Their position was outlined in a statement released here this week at the end of a two-day consultation of the initiative involving six of the seven members of the Organisation of Eastern Caribbean States (OECS).

It is essential not only that fundamental human rights be incorporated into the constitution, but that adequate provision be made to ensure that their enforcement be respected and protected in all circumstances, the bishops said.

The statement signed by Archbishop Kelvin Felix of Castries, Arnold Boghaert of Roseau, Anthony Dickson of Bridgetown/Kingstown, Sydney Charles of St Georges and Raymond Guilly former apostolic administrator of Castries, also outlined some of the advantages of the union.

It would offer a more effective foreign policy and representation, better external defence and security, a [word indistinct] economic cost of administration and less vulnerable to international pressures, the statement said.

The bishops felt the proposed union would put the Eastern Caribbean in a better position to face the economic challenges presented by technical progress, commercial exchange, the employment question, migration and other factors affecting the quality of human life.

Now is the time for full participation by the people to consider the advantages and options in order to arrive at a consensus on the form which this unity should take, the bishops said, stressing that ample time should be allowed for this.

They called on Caricom countries to give their full support to the OECS initiative. We are convinced that OECS unity can be a stimulus for greater cooperation among Caricom nations.

/06662

First Installment of Pindling's Speech on Budget
32980080 Nassau THE TRIBUNE in English
17 Nov 87 pp 4, 8-9, 10

[Article: "\$105 Million of Budget To Service Public Debt"]

[Text] Prime Minister/Minister of Finance Lynden Pindling, who has been criticised for absenting himself from the debate on the Throne Speech, returned to the House of Assembly yesterday to present the \$597.6 million 1988 Budget of which \$104.6 million has been earmarked to service the country's debt.

The service of the debt is second only to education, which is to get \$113 million, or 19.3 percent of the budget.

Law enforcement, including immigration, has been budgeted for \$77.7 million; health \$77.6; tourism, \$35.4 million and public works, \$30.7 million.

The following is the first instalment of the Budget. Debate on the Budget will open in the House at 10:30 am Monday.

Mr Speaker: Times have changed! The year 1987 has been, and still is, an extraordinary year for the international economy. Indeed, some may argue rather persuasively that this year marks a significant threshold in the world of international finance. It was and is the year of finance ministers and international bankers. It was and is the year in which the global debt crisis reached its most dramatic zenith when major debtor countries announced that they were unable to service their external loans and, therefore, were unilaterally suspending payments to both international agencies and private banks. Those announcements sent panic throughout the world economy and financial institutions everywhere, including some in The Bahamas, were frantically searching for solutions to problems whose complexities were only exceeded by their elusiveness.

Against this background, the globalisation of financial markets was developing at a phenomenal pace. The connections between New York, London, Zurich, Tokyo, Hong Kong and Nassau were instantaneous for transactions involving mind-boggling sums of money. The deregulation of financial markets reached a level hitherto unknown in the history of international finance. The United States, Western Europe and Japan were the major actors in this tense drama while many debt-ridden members of the third world, including some of our neighbours in the Caribbean, could only watch in awe from the sidelines.

The party seemed to have ended on October 19th last, a day which is now commonly referred to as Black Monday. On that day, the New York Stock Exchange's Dow Jones Index dropped by more than 500 points, exceeding the 1929 level that historians mark as the beginning of

the great depression. On that day it was estimated that the value of American wealth decreased by approximately one trillion dollars. Times have changed.

I appreciate that some may say that this is all very interesting but still wonder what has it got to do with the Bahamas. The simple answer is that it has everything to do with The Bahamas. I have, on several occasions and in all my Budget addresses to this Honourable House, emphasised that The Bahamas, whether it likes it or not, is a part of the international community and, as such, cannot afford to be indifferent to economic events that occur outside our borders. In this connection, therefore, I need not remind this House and this nation that our current standard of living is supported almost entirely by our tourist sector and that eighty-six percent of our tourists are Americans. If the level of America's wealth is substantially reduced because of a stock market crash, and if Americans respond by tightening their belts, then it follows that the Bahamas would be adversely affected. The Deputy Prime Minister and Minister of Tourism and Foreign Affairs made a similar point just a few weeks ago. However, I still hope and trust, that the unfortunate events in the global financial markets over the past year would not impact severely on The Bahamas over the next fiscal year. My Government has always adhered to the principles of monetary and fiscal prudence in the interest of providing a higher living standard for all Bahamians and, as such, I should like to assure you that we are compelled to design appropriate plans to ensure that The Bahamas is insulated, to the maximum extent possible, from the external shocks of the international economy.

It is against this background and within the framework of our limited resources that my Government's fiscal plans for the coming year were developed. I therefore take pride in having the privilege and honour to lay on the Table of this Honourable House the Draft Estimates of Revenue and Expenditure for the year 1988.

International Economic Developments

In order to appreciate my Government's intended response to the uncertainties of the international economy in general and of our trading partners in particular it may be prudent at this stage to review the major developments in the world economy over the past eighteen months.

The year 1986 saw significant changes in the world economy. Oil prices dropped sharply, non-oil commodity prices weakened further, and the dollar continued its decline against the other major currencies. While the fall in oil and commodity prices had a favourable impact on inflation, economic growth slowed in industrial countries and lower exports receipts from the fall in commodity prices increased the debt burden on developing countries. The challenges that these developments present for 1987 and beyond are therefore formidable.

One area of major concern relates to how quickly fiscal deficits and external payments imbalances in the industrial countries can be reduced. Another area of uncertainty is the possible impact that the pursuit of independent policy action by individual countries could have on global demand growth. The importance of this is underscored by the numerous attempts that have been and are still being made by the leading industrial countries to increase international economic policy co-ordination. A third issue of vital importance is the debt/growth question as it relates to developing countries; in other words, how to deal effectively with the debt crisis without hampering growth. As a result of the anaemic pace of world economic growth in the first half of 1987, the International Monetary Fund has estimated that growth in the world economy will slow to 2.7 percent from 2.9 percent in 1986. For the main industrial group of countries, the average rate of growth is estimated at 2.3 percent, down from 2.4 percent last year. Output growth in developing countries for 1987 is also forecast to drop to 3.0 percent, down from 3.5 percent a year earlier.

One encouraging aspect of the current economic climate in the industrial countries, however, is the fact that inflation, though higher, remained modest by historical standards. The small increase in inflation in 1987 reflects, by and large, the increase in oil prices. The rate of inflation for the industrial countries as a group is therefore expected to fluctuate within a range of 3 percent to 3-1/2 percent from 2.3 percent in 1986.

Financial developments in the major industrial countries showed a decline in both short-term and long-term interest rates for most of 1986. Short-term interest rates rose slightly, early in 1987, possibly in response to exchange rate tensions; but subsequently, they moderated somewhat. As a result interest rates remained generally low in 1987. In recognition of the need for increased interdependence of monetary policy, Japan and West Germany simultaneously cut interest rates early in the year in an effort to bolster domestic economic activity and raise world demand. Honourable Members should bear in mind, however, that oil prices are expected to rise again in 1987 which suggests that short-term interest rates could move generally higher before the end of the year. These concerns have led to a shift in the monetary policy stance of the major industrial countries to one that is significantly less accommodative than in 1986.

Despite the sluggish growth in output in 1986, significant gains were made reducing unemployment in some industrial countries. For the industrial countries as a whole, the rate of unemployment is forecast to drop marginally to 7.9 percent from 8.0 percent in 1986. Within this group, however, wide divergences are expected. In value terms, world trade is expected to increase by 9.2 percent in 1987, compared with 5 percent last year. Reflecting in part the impact of exchange rate developments on trade flows, the current account surplus of Japan and West Germany is forecast to contract

slightly to \$83.0 billion and \$34.9 billion respectively in 1987 while the current account deficit of the United States is expected to decline to \$139 billion from \$141 billion last year. The extent to which these outcomes will be achieved will depend, among other things, on the mix of co-ordinated policies pursued by the leading industrial economies.

The external payments situation for developing countries is expected to improve following a dismal performance in 1986 when export earnings registered a sharp decline of 13.3 percent, export receipts are forecast to increase by 5.5 percent in 1987, reflecting the anticipated growth in demand from the industrial countries. The external position for most developing countries deteriorated significantly in 1986, largely due to the adverse turnaround in the current account balance of the oil-exporting countries. The rise in oil prices so far this year augurs well for the oil-exporting countries and, although their situation is not expected to change drastically, it should show some improvement over last year.

Developments in the United States

I should now like to offer some observations on economic developments which have taken place in the economy of our largest trading partner, the United States, since I last addressed this House on the national budget.

The pace of economic expansion in the United States economy for the first half of this year suggests that growth will not surpass the 2.7 percent level achieved so far. Some estimates peg growth for 1987 at a mere 2.3 percent, down from 2.5 percent in 1986. The rate of inflation is expected to rise to 3.4 percent largely as a result of both higher oil and non-oil import prices resulting from the depreciation of the dollar. Unemployment in America showed marked improvement for most of 1987 and is forecast to fall to about 6.0 percent by year-end.

Payments imbalances remained a major problem area for the United States authorities. On the external side, the trade deficit registered modest improvement during the first half of 1987. The cumulative trade deficit for the first six months of 1987 was \$108 billion compared with \$102 billion in the same period in 1986. Despite the targets mandated by the US Gramm-Rudman Act, it is still most unlikely that the budget deficit will be lower than in 1986. This fact will remain a source of upward pressure on interest rates which does not augur well for the debt burden of developing countries. So far this year monetary policy in the United States has been relatively restrictive in light of the concerns about the weak dollar and the build-up of inflationary pressures. In April, the Federal Funds Rate was increased by 75 basis points as the value of the dollar sagged and bond yields rose steeply. While no action was taken on the discount rate, the Federal Reserve Board took other measures to signal the change in its policy stance. The Prime Lending Rate

moved up to 8.25 percent from 7.50 percent at end-December 1986. The fight against inflation was expected to remain the number one priority of the United States authorities in 1987 and beyond as the prime nudged further up to 9.25 percent in early October just prior to the Stock Market crash. In the light of current events the United States has now decided that continued economic growth is vital to staving off a depression and interest rates have been rolled back to 8.75 percent. Interest rates may be allowed to fall even lower because it is expected that an easy money policy could maintain the current rate of economic growth.

Developments in the Caribbean

Over the years The Bahamas has been increasing its relations with the rest of the Caribbean region and participating more actively in joint consultations among the member states. Indeed, my Government has recently appointed an Ambassador to the entire region to ensure that this increased dialogue continues well into the future.

The Caribbean region, with which we share a common political and social heritage, has experienced modest growth in economic activity since I made my last Budget Communication. Most countries in the region have reported improved fiscal positions for the year 1986 assisted, in part, by the reduction in oil prices. The one exception to this turnaround was oil exporting Trinidad and Tobago where real economic output fell by 6.4 percent as a result of declines in their oil production sector. Relatively high levels of external debt, high unemployment and diminished foreign exchange earnings because of the global drop in commodity prices, still continue to plague the region, however.

In an attempt to stimulate economic growth in the region in the wake of poor prices for primary agricultural products and bauxite and a sharp reduction in the volume of sugar exports to the United States, many of the island nations are turning increasingly towards the promotion of tourism, once despised, to raise the living standards of their respective populations.

The inflationary pressures which were so dominant in 1985 have abated somewhat and at the end of 1986 inflation rates ranged from 18 percent in Guyana to 9.5 percent in Jamaica and 7.1 percent in Trinidad and Tobago. The Bahamas' rate of inflation over the same period was 6.8 percent. Many of the countries in the region have adopted policies directed towards increasing private capital inflows to compensate for reduction in international aid particularly since the level of grants to the region from the United States has been cut back as the United States grapples with its own fiscal and trade deficits.

As I see it, the economic growth prospects for the region as a whole in 1987 are therefore modest and, from all indications, many of the countries will continue to take

measures to expand their tourism sectors since activities in that sector are now perceived to be one sure way of increasing economic returns to the region.

Domestic Financial and Economic Developments

Turning attention to the home front, Honourable Members should be careful to note that the United States dollar, to which the Bahamian dollar is pegged, has been steadily depreciating against other major currencies for the most part of this year. Indeed, between January 1985 and October 1987 it has dropped approximately 47 percent against the Japanese yen and 48 percent against the West German mark, and 36 percent against the sterling. Consequently, our imports from Germany, Japan and Britain, as well as from other European countries, have been proportionately more expensive. Nevertheless, in spite of this occurrence, and considering the other international uncertainties, the Bahamian economy has performed relatively well and still appears poised for another year of steady growth.

Our External Reserves registered health growth and reached a peak level of \$292.6 million in May. This compares with a level of \$273.4 million at the end of July but this was largely indicative of the normal seasonal pattern of exchange outflows in the second half of the year. Even so that figure represents an increase of \$15.1 million over the corresponding period a year ago.

For the first six months of the year, the narrow money supply (M1) was higher by \$30.2 million or 11.3 percent, as against a year earlier \$56.5 million (24.4 percent). The broader money supply (M2) was higher by \$62.9 million (8.0 percent) compared with \$64.1 million (9.1 percent) last year. The significant expansion in money for the period resulted from a rise in net foreign assets and domestic credit. Quite remarkably, I think, domestic credit climbed by \$33.1 million or 4.2 percent, a marked turnaround from the \$2.6 million drop registered in the same period last year. Credit to the private sector rose by \$39.9 million or 5.7 percent as compared with \$17.0 million or 2.8 percent a year earlier. Net credit to the Government contracted, however, by \$6.6 million or 6.4 percent down from the \$19.6 million or 14.6 percent in the same period last year.

I am happy to inform Honourable Members, that there were no fundamental changes in the Central Bank's monetary policy stance in 1986, but it should be noted, that in an effort to absorb some of the high liquidity in the banking system, the Central Bank tendered a special issue of treasury bills. Also, there were no adjustments in credit policy; the discount rate remained unchanged at 7.5 percent while the prime rate is still at 9.0 percent.

Gross Domestic Product and Related Economic Indicators

The aggregate expenditure on all goods and services in The Bahamas for 1986, or our Gross Domestic Product, stood at \$2.25 billion according to the latest estimates on

this measure of economic activity. Of this figure, it is estimated that tourist expenditure accounted for \$1.1 billion dollars which is approximately 12 percent over the 1985 level.

The Gross Domestic Product (GDP) is a universal measure adopted by all countries to measure the level of economic activity taking place within their respective borders within a given time-frame. Of the estimated \$2.25 billion of GDP, it is further estimated that Government and private households spent \$1.5 billion which computes to an average per capita consumption expenditure of \$6,159.00 for 1986. I must, however, warn the House that information on the GDP by itself is not sufficient to obtain a complete picture of the economic health of the nation. Those figures ought to be augmented by other economic indicators such as the level of employment, prices, construction activity and external trade.

Employment

The latest labour force survey was completed in mid-1986 and so, for the first time in a number of years, my Government is in a position to give official estimates on the labour force.

The size of the labour force in the Bahamas totals 110,900 persons, that is, persons who are of a working age and are also willing and able to work in The Bahamas. Of that figure, 97,400 persons were gainfully employed at the end of 1986. In other words, the rate of unemployment in The Bahamas at the end of 1986 was 12.2 percent. That unemployment figure is slightly higher than the unemployment figures in some of the leading industrialized states such as the United Kingdom whose unemployment rate in 1986 was 11.6 percent, Italy where unemployment stood at 11.1 percent, France where unemployment was 11 percent and West Germany, where it was 7.9 percent. In 1986, the United States and Canada had unemployment levels of 6.9 percent and 9.6 percent respectively. Two of the more stable economies in the Caribbean region, Barbados and Trinidad and Tobago, recorded unemployment levels of 19.1 percent and 17 percent respectively over the same period.

A significant feature of the unemployed population was that young people between the ages of 15 and 24 accounted for more than half (55.9 percent) of the total unemployed persons. The unemployment rate for these youth was 22.2 percent which was ten points higher than the national average. Another significant feature was that more than half of the total number of unemployed persons were women. The overall unemployment rate by sex stood at 15 percent for females and 9.7 percent for men. In the critical 15 to 24 year age bracket, however, unemployment among young women was 28.2 percent and 17.3 percent among young men.

Due largely to the boom in construction, there is reason to believe that both the overall unemployment rate and rate of unemployment among young males will have reduced further during the first half of 1987. But I am all too conscious of the fact that the vexing problems of unemployment among young females still remains. My Government will be taking measures to resolve this problem over the short term.

Retail Prices

Continuing with the leading economic indicators in The Bahamas, estimates of movements in the Retail Price Index indicate that as of April 1987, inflation was growing in New Providence at a rate of 6.1 percent while in Grand Bahama it was growing at a slower rate of 3.7 percent.

In New Providence, the food component of the price index led the way by increasing by 9.18 percent, followed by transport at 6.34 percent, clothing and footwear at 5.04 percent, other goods and services by 4.95 percent, health and personal care at 4.04 percent and finally, housing at 3.48 percent.

Construction Activity

The boom in construction continues and I am confident it will go on through 1988.

The latest statistics on the construction sector shows an overall increase in construction activity for all The Bahamas during 1986. Although there was a 13.0 percent decrease in the number of building permits issued during 1986 to 3,528 from 4,057, their value increased by 9.6 percent to B\$278.5 million. In New Providence, because of the large size of projects, permits issued during 1986 rose 16.5 percent in value to B\$219.1 million from B\$100.8 million but fell by 14.7 percent in numbers to 2,694 from 3,129. For the same reason construction starts increased 22.9 percent in value from B\$119.9 million to B\$147.4 million but declined marginally by 1.1 percent in numbers from 1,856 to 1,835. Completions rose to 16.7 percent in value from B\$82.9 million to B\$96.7 million and 35.0 percent in numbers from 1,247 to 1,684.

During the first six months of 1987, permits issued for all The Bahamas increased 42.5 percent in value from B\$103.3 million to B\$147.3 million and 0.2 percent in numbers, from 1,687 to 1,690 over the same period of 1986. In New Providence, for the same period, permits issued increased 34.0 percent in value to B\$104.7 million from B\$78.1 million but increased 4.4 percent in number from 1,291 to 1,234. Starts increased by 23.8 percent in value to B\$109.6 million from B\$88.6 million and decreased by 26.4 percent in numbers to 790 from 1,073 during the comparable period of 1986. Completions decreased by 32.5 percent and 23.1 percent in numbers and values respectively.

In Grand Bahama, building permits issued during the year 1986 rose 43.0 percent in value from B\$31.0 million to B\$44.3 million and 4.4 percent in number from 548 to 572. Construction starts rose 15.1 percent in value from B\$21.6 million to B\$24.8 million and 4.1 percent in numbers from 267 to 278. There was a marginal increase in the value of completions by 0.2 percent to slightly more than B\$19.0 million and an 18.1 percent increase in numbers to 300 from 254.

Permits issued for construction in the Family Islands during 1986 fell 56.8 percent in value from B\$35.0 million to B\$15.1 million and 25.1 percent in numbers, from 350 to 262. Although only marginal improvement took place in 1987 it is expected that 1988 will see a significant increase in construction activity in Abaco, Andros, Bimini, Eleuthera, Exuma and San Salvador.

External Trade

Looking at our external trade position the total value of commodities imported into The Bahamas in 1987 (excluding crude petroleum and residual fuel oils) amounted to B\$998.3 million, or a \$16.7 million increase over the preceding year. Machinery and transport equipment still remain the largest single category of imports at \$200 million or 20 percent of total imports.

Automobile imports, which are normally accepted as a leading indicator of economic activity, rose from \$52 million in 1985 to \$59 million in 1986, an increase of 12 percent. Imports of food items were the second largest component of the total, amounting to \$163 million, an increase of percent.8 million or 5.4 percent over 1985. The principal food import items were fresh meats, fruits, vegetables and processed foods. Imports of miscellaneous manufactured goods, including items such as furniture, clothing, footwear, toys and jewelry, increased by \$7 million over 1985, and represented 15.7 percent of the total. The United States, the United Kingdom and Canada continue to be our major sources of imported goods, as well as the principal export markets for our commodities.

Imports from the United States totalled B\$747 million or 74.9 percent of total imports. This sharp growth in American imports over the preceding year, is attributable mainly to an increase in machinery and transport equipment, which amounted to \$148 million, or 19.8 percent of the \$748 million worth of goods imported from the United States in 1986. Imports from the United Kingdom amounted to \$29 million. Miscellaneous manufactured articles accounted for \$6.5 million or 21.8 percent of the total imports from that country. Canada exported \$19.5 million worth of goods to The Bahamas in 1986. The leading commodity section was food and live animals, with a total of \$5.9 million or 30.7 percent of total imports from Canada.

The total value of exports from The Bahamas in 1986, excluding oil commodities, amounted to \$337 million. Of this figure \$302 million represented domestic exports and \$35 million represented the value of re-exports, an increase of \$20 million or 5.9 percent over 1985.

During the first three months of this year imports into The Bahamas, excluding crude petroleum and residual fuel oils, was B\$2265 million as compared to B\$242 million during the corresponding period of 1986, an increase of some 9.5 percent. Machinery and transportation during this period were the leading category contributors to our import bill followed closely by the category on food representing 15 percent and 13.1 percent respectively. Once again the importation of motor vehicles was heavy.

Domestic exports from The Bahamas excluding mineral fuels, lubricants and related materials, for the period 1st January to 31st March, 1987 totalled B\$88 million as compared to B\$78 million during the same period last year, an increase of some B\$12 million or 13.6 percent. The two major items contributing to this increase were chemicals and rum.

Budget Performance, 1987

I should like to conclude my remarks on Domestic Financial and Economic Developments with a quick review of the Budget's performance in 1987.

I am pleased to say that revenue collections for 197 are progressing satisfactorily. The economy slowed down in mid-year during the run-up to and shortly after the General Elections but has since regained its forward momentum. The revenue collected to 30th September, 1987 already totals \$326 million. For the first nine months of this year, Customs duties receipts rose by 15.3 percent, real property tax by 7.5 percent, motor vehicle taxes 11.4 percent and gaming taxes 9.73 percent. This represented an increase of 12.0 percent on tax revenue and 9.3 percent overall on total revenue. We are now in the middle of the busiest quarter of the year, so when overall collections in 1987 are eventually compared to actual receipts for 1986, the revenues for 1987 are fully expected to exceed the 1986 level by some \$30 million.

This increase is attributed, in large measure, to the fine performance of our principal source of income, customs duties. Again this year, such performance should be heralded as a laudable achievement and one we hope to improve upon in 1988. This will largely depend on all delinquent taxpayers coming forward and rendering to the Public Treasury what is due.

Recurrent Expenditure has been strictly monitored during the course of the year. I wish to assure Honourable Members that I will continue to monitor the cost of the Government's operations by doing everything possible to control waste and unnecessary expenditure on the

Recurrent Account while at the same time maintaining a standard of administration to which the public is entitled. I am convinced that, with proper forward planning, this can be accomplished.

Present indications are that capital expenditure for development during 1987 will be in the region of \$60 million. All capital projects will continue to be reviewed for soundness and productivity and special attention will be paid to such factors as project preparation, coordination, monitoring, evaluation and implementation.

As Honourable Members will come to appreciate, it is my objective in 1988 not only to avoid incurring a deficit on the Recurrent Account but also to produce a surplus which will be utilised as a contribution to the Development Account.

Tourism

It is a well known fact that by aggressive marketing and public relations efforts, The Ministry of Tourism has successfully exploited the many natural attributes of The Bahamas and converted them into a magnet for attracting more than three million visitors to our islands. Significant growth was achieved during the first part of 1987. Cumulative annual figures up to the end of June showed a 9.1 percent increase over the same period in 1986. To continue this growth pattern, I am proposing to contribute more funds to the advertising and public relations activities of the Ministry of Tourism which intends to enhance the tourism product by undertaking selected capital development projects which will have an immediate result in greater visitor satisfaction. These include development of the Western Esplanade, and remedial work at Fort Charlotte, Fort Fincastle and the Straw Market Plaza.

The efforts of the Ministry of Tourism to attract a greater number of students during the Spring Student Get-away Programme will continue. It will also continue to support, through co-operative advertising, those proposals by airlines, tour operators and our industry partners which will result in attracting greater numbers of up-scale stopover visitors to our shores. Special attention will be paid to the development of the meeting and incentive travel markets in order to increase by 25 percent the number of hotel nights consumed by such groups. To do so, the Ministry of Tourism will adopt strategies designed to encourage hotels and destination management companies to develop products that will satisfy the specific needs of individual meeting planners and incentive travel organisers.

In order to help spread the benefits of tourism to and accelerate the economic development of the Family Islands, the Ministry of Tourism will encourage the introduction of cruise ships to suitable ports in Abaco, Andros, Eleuthera and Exuma. In this connection, Honourable Members will be invited to consider legislation to provide appropriate incentives for such cruise ship

operations. In conjunction with the Hotel Corporation of The Bahamas and the Ministries of Works and Transport, the Ministry of Tourism will also work to accelerate the development of infrastructure and facilities in these developing destinations.

Foreign Affairs

My Government continues to recognise the importance of foreign policy as an extension and a potentially vital tool in the implementation of domestic policy. As a result my Government expects more effort to be expended in the foreseeable future by our cadre of technocrats skilled in all areas of international affairs and international negotiation. This cadre will be called upon not only to provide potential investors with the widest and most effective dissemination of information on The Bahamas, but to also support, through close co-ordination and consultation, the concomitant efforts of other Ministries, agencies and departments.

In its pursuit of a more assertive foreign policy our Foreign Service personnel will be the collective voice of my Government abroad. My Government will therefore be selectively refining as well as expanding the ranks of this cadre and its administrative support. Development in this area will address resident representation in the capitals of countries most important to the economic and social development of The Bahamas and improved conditions of service which recognise the special contribution and service conditions of Foreign Service personnel to national development.

Housing

As in Tourism, another area of success for my Government has been in housing. Our latest thrust into producing quality houses for our people can be seen in the Elizabeth Estates and Nassau Village Phase I Subdivision in New Providence and East Coral Estates Subdivision Phase 2 in Freeport, Grand Bahama. These housing subdivisions have been virtually completed with the supporting infrastructure and the social amenities presently being constructed. Having completed 710 houses in Elizabeth Estates and 80 in Nassau Village by mid-1987, my Government has exceeded its target for the construction of new houses in 1986 and it is anticipated that we would surpass our projection for 1987.

The Ministry of Housing has made further investigations into the construction of houses in Nassau Village, and the construction of Phase 2 Flamingo Gardens in the Carmichael Road Area, will begin shortly. At the same time, we will continue work in the East Coral Subdivision in Freeport and commence construction at Eight Mile Rock, Grand Bahama. The total number of lots potentially available in each of these housing projects are:

Flamingo Gardens Phase I—209

Nassau Village Phase II—240

East Coral Phase III and IV—195

Eight Mile Rock—98.

Cognization of the desire of our people in the Family Islands to become participants in our housing schemes, my Government will continue its efforts to make loans available to them. Through our social services facilities, the housing assistance we have given to our senior citizens in the Family Islands will also continue.

Social Services

Over the past two years my Government, through the Department of Social Services and the National Insurance Board, has developed a structured approach to the provision of financial assistance and other personal welfare services like child protection and family counselling to communities of New Providence and the Family Islands. For 1988 I have made additional financial provision for the social welfare programmes of public assistance for the aged, the unemployed, the disabled and neglected children to be maintained and supplemented in some specific areas.

A second community group home for disabled senior citizens will be built on Taylor Street.

In conjunction with the Salvation Army, a model family group home for children needing emergency shelter will be built at the site of the old Bilney Lane Clinic and a Children's Home will be constructed in the Elizabeth Estates Community for children in need of care and protection.

The strengthening of foster care services will be encouraged by the increase of care allowance and the provision of a cadre of voluntary care aids to provide support services for foster parents and their wards. The importance of the contribution made by charity groups cannot be under-estimated and these groups, once they have been registered, will be supported in their works by a variety of financial grants as well as technical and administrative assistance.

More support will be provided for the work of child care institutions and homes for the elderly through the development of a skills training programme for child minders and companions at the College of the Bahamas' Continuing Education Programme.

Health

The health of the people of The Commonwealth will continue to hold a place of high priority for my Government. To this end, my Government will continue to direct its efforts towards further improvement in the

efficiency of all its services through more intensive analyses of problems and the implementation of corrective measures where necessary.

This year has nevertheless seen the continued movement which placed greater responsibility and accountability at the divisional level with a separate budget head being allocated to the Princess Margaret Hospital. The Environmental Health Department and the Rand Memorial Hospital were previously accorded separate budget heads in 1986. This year has also seen the commencement of construction, expansion and upgrading of community Health Clinics in New Providence and the Family Islands. A re-evaluation of the most effective strategies for meeting the needs of drug abusers who require acute as well as more prolonged and sustained supervision and rehabilitation will take place during 1988.

My Government is also proud of its achievement in the improved coverage in immunization against the common communicable diseases. Bahamians, however, are now facing the problem of new and more menacing disease, Acquired Immune Deficiency Syndrome—AIDS. The Ministry of Health, through its recently appointed Standing Committee on the Prevention and Control of AIDS, is addressing the problem which will necessitate an aggressive Community Education Programme.

The further improvement of the Princess Margaret Hospital, our main health care institution, must continue. However, I wish to advise Honourable Members that the substantive development of a new general hospital in New Providence is receiving urgent attention and plans are well advanced. In the interim, improvement in services are planned for next year in the specialty areas of intensive care, the burns unit, the business office, and the maintenance department. Efforts will also be directed to the further improvement in the Maternal and Child Health Care areas, in the health of those suffering from chronic degenerative diseases and for those illnesses resulting from accidents and instances of violence.

In 1987, at the Rand Memorial Hospital, our acute General Hospital for Grand Bahama and the Northern Islands, the short-term proposed renovations will include the expansion of the Obstetrics Unit and an improved newborn nursery. The renovation and expansion of the present Medical Records and Physiotherapy Departments will bring an improved level of efficiency to these services. The introduction of radio network between the Hospital, the Clinics and the Ambulance Service will enhance communications. The renovations are said to be short-term because a new General Hospital for Grand Bahama is also being planned.

The state of our environment has a direct relationship to the health of our people and I am not proud of the state of their environment in New Providence. The Environmental Health Services Department has the onerous task

of dealing with the escalating problems of garbage disposal which is an inherent component of developing societies. With the services of a solid waste consultant, efforts will be made to further improve the organisational, managerial and technical competence of the Environmental Health Services Department.

Following discussions with and advice from a broad range of health care professionals and public sanitation experts, my Government is of the opinion that in order to more quickly improve the quality of health care and modernise the efficiency of its delivery, the time has come for the conversion of our two General Hospitals, the Princess Margaret and the Rand, as well as the Solid Waste Management Division of the Department of Environmental Health Services into public corporations. And, in order to help ensure that first class medical services are available to rich and poor Bahamians alike and that the new corporation has a proper revenue base, it is further proposed to introduce a national system of health insurance for all Bahamians. I am advised that the new systems could be in place within two years.

At the Sandilands Rehabilitation Centre, the Psychiatric Services have been stretched during 1987. While there has been some infrastructural development, there is a need for continued improvements. The construction of a much needed admissions and Administrative complex is being given high priority by my Government. The need for continued major repairs and renovations of the Hospital's Plan and Fabric forms an integral part of my Government's strategic planning exercise.

Concern has been expressed regarding air pollution in Grand Bahama. A monitoring system is providing scientific information on the kinds and quantities of pollutants and should further alert industries of their responsibilities for emissions. The assignment of additional staff will strengthen the surveillance capabilities in Grand Bahama. Moreover, the enactment of the Environmental Health legislation in May, 1987, together with copious regulations which are in the advance stages of drafting, will enable the department to better monitor and protect our environment.

The Ministry of Health, in addressing its overall commitment to deliver a high level of health care, recognises that this cannot be done without continued preparation and upgrading of its human resources. The newly-opened Bahamas School of Nursing will facilitate not only the basic and post-basic education of nurses but it will also be utilised for the in-service education of other health personnel. The first classes of Nurses and Environmental Health Officers have now graduated with Associate Degrees from the College of The Bahamas.

Education

Honourable Members and the general public are aware that for at least a decade my Government, while ensuring that resources were allocated across the spectrum of

education, cultural and training activities, has directed a considerable measure to the development of secondary education and the College of The Bahamas. This investment has seen not only the expansion of secondary school buildings and programmes in New Providence over the last two decades, it has also seen the establishment and development of secondary schools in the Family Islands. My Government takes pride in the success of its policies rooted in the conviction that The Bahamas would be built and managed by Bahamians and that Bahamians would respond to opportunities to be educated and trained to do this.

This year, in further pursuit of my Government's goals towards educational excellence, allocation has been provided for the expenditure of \$88,800,000 on Recurrent Account and \$13 million for Capital Works.

Investment in school buildings will continue to be essential, though the cost of building and replacing and maintaining them can be expected to increase enormously. The Government is determined to allocate as much resources as can be spent for this, fully conscious that in doing so it attests its continuing belief that our people have a profound belief in themselves and their ability to ensure that the success which we have had in developing our economy over the last two decades has made us one of the most successful nations in the world. Two years ago I made mention of the need to replace a substantial number of schools and teachers' cottages. Although I referred in the main to temporary buildings, I was not unmindful of permanent buildings that were older and would, in time, also require considerable resources. I made reference then, as I have since, to the growing level of mindless vandalism which was beginning to absorb resources needed elsewhere in the Education system.

As you will have heard, Mr Speaker, my Government proposes to continue the programme of reorganising secondary education into single stage units. Many of the apprehensions voiced about this policy have been lessened by a determination of principals and teachers everywhere to take advantage of the opportunities provided, by this restructuring to improve both instruction and achievement in secondary education. I would wish to commend the teaching service for its positive response to these initiatives in the past year and to express the country's appreciation to them for the patience and understanding that will still be required in 1988 and in the succeeding years.

Additional classrooms are under construction in several secondary schools in New Providence. The Government proposes to complete and to extend this programme in 1988 and to further reduce the number of temporary classrooms. Provision has also been made to increase the number of new facilities in secondary schools in New Providence and the Family Islands, as well as secondary units in all-age schools of

additional science laboratories and rooms for instruction in technical and vocational subjects. It is necessary for the Government to respond to the considerable shift of the population from the North Central part of New Providence to the East, South and West. I have made provision for the construction and completion of one secondary school in

south of Carmichael Road, New Providence and plans are almost complete for a secondary school above the Southern Recreation Grounds.

To be continued [subsequent issues of THE TRIBUNE not yet available].

/06662

Sandiford Cabinet Shakeup Speech Draws Fire

Text of Address

32980081 Bridgetown BARBADOS ADVOCATE
in English 31 Oct 87 p 3

[Text] Prime Minister Mr. Erskine Sandiford addressed the nation last night. In his speech he dealt with two main topics: matters relating to the economy and steps for streamlining the structure of Government.

The nation-wide address was given on Caribbean Broadcasting Corporation (CBC) television with a link-up on the corporation's radio network.

The Prime Minister said: "At the beginning of the year the economic outlook was not as comforting as we would have hoped and it was not expected that the five per cent growth of 1986 would be repeated in 1987.

2 Per Cent Inflation

"The behaviour of the manufacturing sector and of sugar bore out the predictions of slower economic activity. However, tourism and construction were sufficiently buoyant, partially to counteract the negative influences in the other productive sectors of the economy.

"The average annual rate of inflation at two per cent remained negligible and real output during the first nine months of the year has been slightly higher than for the corresponding period of 1986.

"These slender gains could easily evaporate if we do not husband our scarce resources or if the already hostile international economic environment deteriorates further as a result of the decline in share prices in the principle financial centres. It is of course too early to determine the effect of this latter phenomenon on our economy, but we should be on guard to observe whether there will be a direct effect on the number of tourist arrivals or on the level of extra-regional investment.

"The reduction of mortgage interest rates and the higher disposable incomes following the tax cuts in 1986 have assisted in stimulating private home building which is leading the expansion in the construction sector.

Increasing

"Residential mortgage lending increased by 19 per cent up to the end of September this year and housing starts in the first quarter of the year rose 45 per cent. Government too, through its own housing and road construction and repair programmes has contributed to the buoyancy of the construction sector.

"In the industrial sector production for the domestic market has also been increasing but not sufficient to prevent an overall decline estimated at 12 per cent in manufacturing output. The loss of foreign markets, both

regionally and extra-regionally, has increased the unused capacity in this sector which is now unable to provide job opportunities so badly needed.

Jobless

"The Government, together with other CARICOM governments, has taken steps to reduce the impediments to regional trade, but I wish to underline my earlier warning that the regional market cannot be the only solution to the problem of the manufacturing sector.

"Unemployment remains unacceptably high at 18.3 per cent at the end of June with the brunt of the burden still falling on women and schoolleavers. We remain committed to the fundamental goal of high levels of productive employment and I call upon all employers to be innovative in helping to deal with this national problem.

"We shall also encourage as much self-employment as possible, and additionally we are trying to find more markets for the products which we produce.

"Our financial system, which continues to garner and safeguard the savings of Barbadians, remains sound. Deposits in commercial banks have increased by 10.5 per cent while loans have increased by 8.6 per cent. Barbadians have continued to place deposits in other financial institutions and to invest in assets such as life insurance, savings bonds, tax refunds certificates and equities.

Deficit

"Government intends to ensure that there is adequate regulatory machinery to protect all Barbadian investors. At the end of September Government's deficit according to the latest unadjusted data from the Accountant General stood at Bds\$142.2 million compared with Bds\$113.7 million for the corresponding period in 1986.

"Revenue increased by 8.8 per cent but expenditure rose by 17.2 per cent. Capital expenditure so far is slightly lower than in the previous year.

"Fellow citizens, since becoming Prime Minister, I have been looking at the operations of Government in order to determine what further adjustments might be necessary in the existing portfolios. After careful consideration, I have now decided upon the following changes with effect from November 1, 1987.

"The Prime Minister relinquishes responsibility for the International Transport Division and the Ministry of Education and Culture.

"The Attorney General and Minister of Legal Affairs will relinquish responsibility for citizenship, deportation, immigration and passports.

Assignments

"The Minister of Transport, Works and Telecommunications will relinquish responsibility for Telecommunications and that minister will be redesignated as Minister of Transport and Works.

"The following assignments of ministers and parliamentary secretaries will be made:

"The Hon. P.M. Greaves, Q.C., M.P.—Deputy Prime Minister and Leader of the House of Assembly to be assigned to a new Ministry of International Transport, Telecommunications and Immigration with the following responsibilities: airport development, civil aviation, shipping including port management, harbours and lighthouses, citizenship, deportation, immigration, passports, telecommunications, the Immigration Department, the Air Transport Licensing Authority and the Barbados Port Authority.

"The Hon. C.V. Walker, M.P. to be assigned responsibility as Minister of Education and Culture.

"Dr. D.C. Blackman, M.P. will join the Cabinet and will be assigned responsibility as Minister of Transport and Works.

"Senator Anderson Morrison will be Parliamentary Secretary to the Deputy Prime Minister and Minister of International Transport, Telecommunications and Immigration.

"Mr. Clifton Neblett, M.P. will be Parliamentary Secretary to the Prime Minister and Minister of Finance and Economic Affairs.

"With effect from November 23, I propose to appoint a new Senator who will be Minister of State in the Ministry of Finance.

"Fellow citizens, we are committed to the continued growth and development of our country. I have been heartened by the very strong support that you have given to our government. I look forward to that ongoing support and I promise that I will report to you periodically on the affairs of our country.

"Good night."

Forde Criticism

32980081 Bridgetown BARBADOS ADVOCATE
in English 31 Oct 87 p 1

[Text] Opposition Leader Mr. Henry Forde described Prime Minister Erskine Sandiford's address to the nation last night as "a speech of outstanding emptiness."

He was giving his reaction to the Prime Minister's statement which dealt with the economic position of the country and the streamlining of the government.

Mr. Forde said that Mr. Sandiford's address confirmed the widely held view that the Government "has no answer to the two major problems facing the country, namely the economy and unemployment."

'No Indication'

Hence Mr. Sandiford recited details of economic woe and his concern about unemployment, but failed to indicate how the Government of which he is the leader proposes to deal with them, the Opposition Leader stated. Mr. Forde said that Dr. Blackman's appointment was no surprise; Mr. Barrow was dead and Dr. Haynes had walked out. It was therefore only a matter of time before Dr. Blackman had to get what he wanted from an ineffectual and temporary Prime Minister.

He said that Mr. Sandiford had offered no hope to the unemployment problems except to remind the nation that the rate stood at 18.3 per cent at the end of June. The country was left to wonder why the Prime Minister did not share the third-quarter statistics with it.

Noting that the Prime Minister would have a new minister in the Ministry of Finance on November 23, the Opposition leader said: "I trust that he will bring to that beleaguered ministry the sort of knowledge, expertise and skill which are so desperately needed to lift Barbados out of the economic morass into which the misguided policies of the Democratic Labour Party has taken it."

Union Reaction

32980081 Bridgetown BARBADOS ADVOCATE
in English 31 Oct 87 p 1

[Text] The Barbados Industrial and General Workers' Union (BIGWU) has desecrated last night's address by Prime Minister Mr. Erskine Sandiford as "showing a total lack of confidence."

Social Woes

BIGWU's leader Mr. Robert "Bobby" Clarke said that Prime Minister's statement showed no understanding of the economy nor did it deal with the serious social problem of unemployment.

Mr. Clarke added that the statement also failed to deal with other pressing problems in the country both the economic and social level and pointed to such things as the controversy in the police force, the problem of AIDS or even the problems at the casualty at the Queen Elizabeth hospital.

Mr. Clarke, an attorney at law and political activists, said it appeared as though the Prime Minister had adopted a position similar to that taken by previous Premiers and Prime Ministers in Barbados by surrounding himself with "yes" men.

Economist

He noted that since the economy had not been performing as good as Government would have liked, and in view of the departure of Dr. Richie Haynes from the Cabinet in August, an "independent economist" should have been brought into the Cabinet as the Minister of Finance.

Mr. Clarke said it was important that the people of Barbados discuss the situation which BIGWU would welcome.

Praise From PPM

32980081 Bridgetown *BARBADOS ADVOCATE*
in English 31 Oct 87 p 1

[Text] The small but vocal People's Pressure Movement led by Mr. Eric Sealy last night welcomed the inclusion of Dr. Don Blackman in the Cabinet stating that it would redound to the Government's benefit.

Mr. Sealy said Prime Minister Mr. Erskine Sandiford's announcement last night that Dr. Blackman will be the new Minister of Transport and Works was something the people of Barbados had wanted.

"Dr. Blackman has fought long and hard for his constituents and indeed he has the welfare of the entire country at heart; indeed he is a very well loved person with a reputation as hard working Minister of Government," Mr. Sealy added.

The PPM leader said that not only would the Government come out looking better after last night's announcement of its shift of some ministerial appointments, but he felt the ruling Democratic Labour Party administration would also be much better off.

ADVOCATE Comment

32980081 Bridgetown *THE SUNDAY ADVOCATE*
in English 1 Nov 87 p 8

[Editorial: "What Measures?"]

[Text] Friday night's statement to the nation was distinctly not Prime Ministerial. Indeed it would be difficult to describe it as ministerial at all.

The Prime Minister informed the country that whereas five months ago he delivered his address against the background of Mr. Errol Barrow's death, he was now addressing the country against the background of the present state of the economy and the measures that would need to be taken. He then said not a single word about proposed solutions to the problems he outlined.

In this regard he has established himself as being totally different from his predecessors in office. In the process, however, he showed that he preferred the Central Bank's sobering analysis to that of Mr. Wendell McClean's by saying precisely the same things Mr. Teddy Griffith said to the Press.

Second Quarter

Even in saying the same things as Mr. Griffith the Prime Minister has sold the country short. His statistics, such as the 18.3 per cent figure for unemployment, were largely second quarter statistics. What was the point of repeating these statistics when his up-to-date reports from the Central Bank would have equipped him with third quarter statistics, even if they were only provisional in some cases? After all the statement was delivered on the last working day of October.

Indeed, more than a fortnight ago the state of information in the Central Bank was such as to prompt Mr. Griffith, in presenting the Central Bank report to the Press, to warn that the unemployment situation was almost certainly worse than the 18.3 per cent figure for the end of June.

Alarming Rate

The most amazing thing is that the Leader of the Opposition, Mr. Henry Forde, issued a Press Statement also on Friday and his description of the economic indicators was really not different from that of the Prime Minister, except that the latter was silent on the issue of taxation and foreign borrowing—but then knowledgeable persons say another foreign loan is being negotiated.

For example Mr. Forde described the unemployment rate as alarming and Mr. Sandiford described it as unacceptably high. However, it was Mr. Sandiford who described such economic gains as he claimed as "marginal" and said "they could easily evaporate."

Where all Barbadians who listened to the statement must have expected specific measures to follow they heard the Prime Minister call on all employers to help. And they heard that as of November 23 our advice would be followed by the recruitment of someone into the Senate to serve as a Minister in the Ministry of Finance and Economic Affairs—perhaps the only salutary point in the whole address. It would be good if he could persuade someone of the calibre of Dr. Frank Alleyne to serve.

The rest of the speech—and it was difficult to escape the impression that this was the only reason for the speech—said in the main that Dr. Don Blackman would have his way, or rather what he is reported to have described as a Ministry in which he could do something for his constituents.

No Mention

The Deputy Prime Minister has been fobbed off with a hodge podge collection of subjects curiously thrown together and given the name of a Ministry. Postal Communications and Telecommunications could have been brought together to form a Communication Ministry, but he made no mention of the Post.

Unless this should turn out to be an unintentional omission, Mr. Sandiford would have given his Deputy what Dr. Blackman once rejected as less than a full time job, but without the Environment, and with a few other things thrown in.

As for the rest, at least the Prime Minister has shed some of his load, and is recruiting somebody to fill the ministerial void in Economics and Finance.

All of that is to the good, but none of it tells us what the Government intends to do about the serious economic situation outlined by the Prime Minister himself. He has not even joined the Central Bank in the call for restraint.

/06662

Ruling DLP Expels Three; Factional Strains Revealed

Party Action

32980082 Bridgetown *DAILY NATION* in English
11 Nov 87 p 1

[Article by Hartley Henry]

[Text] The Democratic Labour Party (DLP) has dumped founding member Dr. Rameses Caddle.

The DLP also unceremoniously dismissed long-time City standard-bearer Lisle Carmichael and Lorenzo Coward.

The party's General Council voted Monday evening to expel the three members, who in recent times, contested seats as Independents against party candidates.

All three members were invited to attend the special meeting but Coward was the only one who showed. He sharply criticised the party's performance in Government and threatened to run against Prime Minister Erskine Sandiford, saying the PM would be easy to beat right now.

Party insiders said last night that members thought long and hard before severing ties with Caddle, because they recognised his political might in Barbados. They finally agreed, with few abstentions, that his move to run against the party and criticise some of its policies was deserving of expulsion.

Consideration was also given to postponing action because of the absence of Caddle and Carmichael, but the majority of members argued they were invited to the meeting and apparently chose not to attend.

Caddle's standing in the party has been questionable ever since he declared his intention to contest the vacant St. John constituency seat as an Independent candidate.

Up to then, he insisted he was still a "faithful Dem" and had no intention of hurting the party. Sandiford warned then, however, that disciplinary action would have to be taken.

Caddle, a founding member of the party and close friend of late Prime Minister Errol Barrow, could not be reached yesterday for comment. He had indicated, however, that his entry into the race for the St. John seat was the continuation and not end of an illustrious career in politics.

Carmichael was also a backbone member of the party, having unsuccessfully contested the City seat in 1961, 1971, 1976 and 1981 on DLP tickets.

Last year, however, he charged the DLP with behaving in an "unethical" manner when it selected its candidate (Peter Miller) for the City. He said then he was running as an Independent Democrat to break the dynastic rule of the Miller family in the City and improve the level of representation to the people of that constituency.

Coward was also in the fight to defeat either Billie or Peter Miller. He said last night he was going to let the matter rest where it was "for the time being," but warned his political foes he was not finished with politics.

Move Against Haynes

32980082 Bridgetown *DAILY NATION* in English
12 Nov 87 p 1

[Text] Factions within the Democratic Labour Party (DLP) are trying to muzzle former Minister of Finance Dr. Richie Haynes.

Some members want him banned from addressing the party's branch meetings or nay such function as a front-line member of the DLP.

Ever since he resigned from the Erskine Sandiford Cabinet, Haynes has spoken out on matters he felt affected the general well-being of the country.

Addressing the St. Michael East constituency branch last Sunday, Haynes criticised the Ministry of Public Service, describing it as "public nuisance number one".

Party sources said last night leading figures were disgusted by Haynes' remarks. They accused him of "embarrassing the party in public" and of reopening healed wounds.

Haynes responded: "I am not officially aware of any such activity. This is a democracy in which I live. As far as I am concerned, as a backbencher in Parliament I have a clear duty to address any matter for the betterment of the country and the party, of which I am a member.

"I can remain silent and watch the loss of the solid support which the party commanded among public servants in 1986 or seek to deal with what is at the root of that loss of support and seek to recapture it.

"The DLP wins elections when its get strong support from public servants and it loses when it does not.

"All of us who have fought so hard to try to ensure that the party is returned to office have a corresponding duty to respond to issues which compromise its continuance in office."

Caddle Reaction

32980082 Bridgetown *WEEKEND NATION* in English
13-14 Nov 87 p 1

[Text] A drowning man catching at straw is how expelled Democratic Labour Party (DLP) founder-member, Dr. Rameses Caddle described those who dismissed him.

In a strongly-worded statement yesterday on this week's decision by the executive council of the DLP to expel him, along with former City candidate, Lisle Carmichael and Lorenzo Coward, Caddle said:

"To Mr. Sandiford, with love. Ask not for whom the bell tolls; it tolls for you."

He said: "The recent display by Mr. Sandiford and his cohorts at the DLP Auditorium demonstrates a callous disregard of the suffering people of Barbados and a scant respect for democratic principles. The performance befits a drowning man clutching at straw.

"The valuable time spent on getting a decision on a matter of nuisance value should have been better spent on soliciting and obtaining inputs for the solution of the many problems confronting this society."

Among these problems, he called attention to:

- the frustration and despondency of our young people, overwhelmed by chronic unemployment and threatened by an increasing incidence of suicide;
- the destruction of the black community by the dope peddlers;
- the lack of morale among the policemen with its destroying effect on the maintenance of law and order; and
- the suffering of many persons due to no work and no money.

According to Caddle, who was with the DLP from its inception in 1955, Prime Minister Sandiford "and his cohorts" must know it was the democratic right of any citizen to contest any election, and there was no law or rule in the party which abridged this right.

"Is this recent action an indication of what he and his cohorts would do with the democratic principles and rights of the people?" Caddle asked.

It is believed that Caddle's expulsion from the party was the result of his contesting the St. John seat against DLP candidate David Thompson earlier this year, and his criticism of some of its policies.

According to Caddle, many DLP members were concerned about the manner of the change of leadership of the DLP Government and "the undemocratic manner in which it was accomplished".

"Certainly," he stated, "the expulsion of a few members will in no way eliminate this concern.

"This concern embraces many other matters. Many members and supporters are concerned about the way in which Mr. Errol Barrow was hurried to his death.

"Mr. Sandiford and his cohorts should pause and consider this advice: 'Judge not lest ye be condemned.'"

Caddle Interview

32980082 Port-of-Spain *TRINIDAD GUARDIAN*
in English 18 Nov 87 p 17

[Article: "Rebel MP Plans To Continue in Barbados Politics"]

[Text] Bridgetown, CANA—Expelled Democratic Labour Party (DLP) founder-member, Dr Rameses Caddle, says he is not through with active politics and Barbadians will hear of his plans "maybe sooner than my erstwhile colleagues in the DLP would like to hear".

Caddle, in a newspaper interview published here on Sunday, cited a falling off in support for both the ruling DLP and main opposition Barbados Labour Party (BLP), but left open the question of his providing a new alternative.

Cabinet Minister

"The drift away from the DLP and BLP is a small movement, but is like a snowball. You throw it and it gathers momentum and gets bigger," said the former DLP cabinet minister.

the DLP executive, chaired by Prime Minister Erskine Sandiford, voted last week to expel Caddle for flouting party policy with his decision to run as an independent against the DLP candidate in the July by-election precipitated by former Prime Minister Errol Barrow's death.

Caddle, a medical doctor regarded as a radical, referred to previous cases where party members had publicly gone against DLP policy and said he found it "a bit strange" he was singled out for expulsion. Two other members were expelled with Caddle.

Caddle lambasted Sandiford's leadership, saying the Prime Minister lacked the charisma, popular appeal and ability of his predecessor. He said Sandiford started out wrong and the situation would be "disastrous" for him in the end.

Different Reasons

"People (inside the DLP) are not happy with Mr Sandiford as Prime Minister. Various people are giving different reasons, but the sum total of it is that they do not see Mr Sandiford in the way that they would have seen Mr Barrow."

Caddle dismissed the likelihood of becoming a BLP member because of philosophical reasons. But he noted that with Barrow's passing, the DLP had taken on

"closer and closer similarity" with the BLP to the point where "there is no fundamental difference" and "both of them seem now to be right-wing parties".

Caddle said the DLP, apart from implementing massive tax relief, was "yet to deliver" on the promises which brought it to power in May 1986, and indicated that before his death last June 1, Barrow was becoming concerned the party was not getting its act together.

Nation's Problems

Unlike Barrow, who because of his appeal was able to draw on and benefit from the resources of others in his quest for solutions to the nation's problems, Sandiford lacked the wherewithal, Caddle said.

"The people are not prepared to wait until any prime minister develops the know-how and the ability and charisma to deal with their problems. They want solutions to their problems as early as yesterday," he said.

Caddle said Barbadians no longer saw politics in terms of water, roads and lights, and unless the DLP is able to confront the new issues and come up with the necessary changes, "there is no hope for them".

/06662

Prime Minister Meets With Constituents in Toledo

32980085a Belize City *AMANDALA* in English
30 Oct 87 p A

[Text] The Prime Minister of Belize, the Rt. Hon. Manuel Esquivel on Thursday, 22nd October, toured villages in the Toledo West constituency along with Area Representative Hon. Basilio Ah.

The first stop on the tour was the Toledo District's largest village, San Antonio, which has a population of about 3,000. There the Prime Minister was greeted by Area Representative Ah, the District Development Officer Mr. Peter Martinez, Village Council Chairman Mr. Enselimo Salam and Mr. Primitivo Coc, Justice of the Peace.

The party then proceeded to the San Luis Rey Roman Catholic School where the teachers and pupils presented gifts and a programme of entertainment for the distinguished guests. The Prime Minister in return presented some gifts of his own.

This process was repeated successively in the villages of Santa Elena, Pueblo Viejo, then San Jose. The main theme of the Prime Minister's addresses to the teachers, pupils and villagers at each stop was that although the audience might be different from others in another part of Belize, they had something in common in that "we are all Belizeans and are therefore equal." Mr. Esquivel assured the listeners that even though Belizeans of the Toledo District have not had the same opportunities as Belizeans of other areas, the government has been striving to change this. He said this hard and lengthy process has resulted in funding which will benefit the district.

Prime Minister Esquivel stated that with the assistance of the United Nations Food and Agriculture Organization, the World Bank, USAID and the United Kingdom, programmes have started or are to start shortly to assist farmers with the production as well as the marketing of their crops. As part of the various programmes, including the facilities of the Belize Marketing Board, will be improved. Also, more funds will be made available to farmers through the Development Finance Corporation.

The Hon. Basilio Ah also spoke at each stop, translating the Prime Minister's message into Maya for the benefit of his constituents.

Prime Minister Esquivel made unscheduled tours of the road works being done enroute to Jalacte and to the big Falls Rice Mill and Storage Complex. (GIS)

/06662

Britain Announces New High Commissioner to Belize

32980086b Belize City *AMANDALA* in English
30 Oct 87 p B

[Text] Belmopan, Fri. Oct 23—The Foreign & Commonwealth Secretary, Sir Geoffrey Howe, has appointed Mr. Peter Thomson, CVO to the British High Commissioner to Belize in succession to Mr. John Crosby, LVO. Mr. Thomson is expected to arrive some time in November.

Mr. John Crosby will take up another post within the Foreign & Commonwealth Office in London.

/06662

Statistical Office Reports on Economic Indicators

32980086a Belize City *THE REPORTER* in English
25 Oct 87 p 10

[Article by Norris Hall: "Belize Vital Signs Show: Strong Growth; Mild Inflation"]

[Text] Data collected by the Central Statistical Office of the Ministry of Economic Development suggest that the cost of living is slowly on the rise and the buying power of the Belize dollar is correspondingly on the wane.

The Belize Consumer Price Index (which takes into effect the overall value of a basket of consumer items) rose slowly from 147.2 points in February to 147.6 points in May. But during the quarter of June, July and August rose sharply by 2.2 points to 149.8.

Comparative figures for the same period last year place the Consumer Price Index at 145.0 points in February; 144.1 points in May and 147.2 points in August.

Other economic indicators reflect a slight increase in the rate of unemployment. Unemployment, which was 14 percent high during 1984, moved to 15 percent during 1985 and stood at 15.1 percent in 1986.

The figures on unemployment are based on information supplied by the Social Security Board. The Central Statistical Office does not have the resources to effectively monitor the job market to determine the unemployment situation.

According to the best available information Belize has a labour force of 55,000. Of these, 47,000 were known to be gainfully employed during 1986, leaving 8,000 unemployed or underemployed. The figures do not take into account the seasonal labour force employed in the sugar, banana and citrus industries.

On the bright side the country's export for this year, up to the end of June showed an impressive increase of \$22.3 million—up to \$109.2 million from \$86.9 million. This was due mainly to spurts in the exports of beef, cacao, vegetables and bananas. During the same period

imports increased from \$125.7 million to \$236 million at the end of June. Major imports have been foodstuff, drugs, fertilizers and machinery (mostly for farm use).

Oil and Petroleum products account for \$9.5 million or 14 percent of the total imports bill during the corresponding six months.

Gross National Product (which is the value of all the goods and services produced for the year in Belize), which stood at \$342.1 million in 1985, has risen to \$349.6 million in 1986 and is projected to reach \$361.1 by the end of the year, thanks to the strengthening of Belize exports.

/06662

Sugar Imports Signal Shortfall in Local Production

32980085c *Bridgetown CANA in English*
2109 GMT 10 Nov 87

[Text] Belmopan, Nov 10—Belize has imported 700 metric tons of sugar from France to help meet domestic requirements, fuelling speculation of a major shortfall in output by the local industry this year.

Minister of commerce and Industry Eduardo Juan confirmed on Tuesday that his ministry had issued a licence to Belize Sugar Industries Ltd (BSI) to bring in the sugar.

Government has not announced a shortfall in sugar output but John McFarlane, an official of Belize Sugar Industries, said sugar cane production for the crop which ended in June had fallen 36,000 tons short of the projected 800,025 tons.

McFarlane also said that the closure of the Libertad Sugar Factory in the northern Corozal District of Belize had led to a shortage of plantation white sugar on the local market.

BSI completed installation this year of a new BZ1.5 million dollar refinery at the Tower Hill Sugar Factory, located in the Orange Walk District of the country.

The National Petroleum Company of Jamaica (Petrojam) signed a lease agreement with BSI and the Belize Government last September for the lease of the Libertad Factory. Petrojam will convert this factory into an ethanol plant.

Last July, the government of Prime Minister Manuel Esquivel, with the approval of the Legislature, amended the sugar industry ordinance so as to guarantee BSI a throughput of 800,050 tons of sugar cane for the sugar industry every year.

This was one of BSI's criteria in negotiating the lease of the Libertad Sugar Factory with Petrojam.

Earlier this year during the negotiations, BSI's General Manager Mickey Brownie told CANA: We are insisting on a sugar cane throughout for the Tower Hill Factory. [sentence as received]

But with cane production down to less than the guaranteed minimum of 800,050 tons to BSI, cane farmers will have to plant more cane to supply BSI and Petrojam.

BSI does not grow its own cane, apart from 1,000 acres which is used for research.

BSI this year paid cane farmers 48 dollars per ton of cane. Petrojam has made an initial offer of 25 dollars per ton to local farmers.

Petrojam plans to plant some of its own cane for its ethanol plant but will have to grow more than it had anticipated as the Cane Farmers Associations have indicated that they are not prepared to accept Petrojam's offer of 25 dollars per ton.

/06662

PUP Wins Orange Walk, Corozal Cane Farmer Votes

32980085b *Belize City THE BELIZE TIMES*
in English 1 Nov 87 p 5

[Text] Orange Walk Town, Tues. Oct 27—Despite a personal dirty campaign waged by the UDP, Mr. Santiago Rosado has retained Chairmanship of the Orange Walk Cane Farmers Association. Following the election of eight branch councils, their representatives from Orange Walk Town, San Lazaro, San Roman, Yo Creek, San Jose, San Estevan, Guinea Grass and Douglas, met last Friday and re-elected the indomitable Santiago Rosado to his third consecutive term as Chairman of the Orange Walk Branch of the Association.

Mr. Rosado is an SJC Graduate, a trained teacher who once worked in the Accounts Department of BSI for eight years. Since 1975 he has been self employed and more recently he became active in the plight of the cane farmers in the North. Rosado is also the Campaign Chairman of the PUP in the Orange Walk Central Division.

Meanwhile in news from Corozal Mr. George Henry was last Wednesday elected to head the Corozal Branch of the Association. He was elected by representatives of Corozal Town, Xaibe, San Victor, San Joaquin, Louisville, San Narciso Patchakan, and Caledonia. Henry replaces Ramon Aban as Chairman of the Corozal Branch.

Here again the UDP representatives of the North attempted to take over control of the Divisional Committee, but in the end five of the eight seats voted for the PUP.

/06662

Silk Production, Industrial Possibilities Studied

33480034a La Paz PRESENCIA in Spanish
6 Nov 87 p 7

[Text] A South Korean delegation will arrive this weekend to technically evaluate the possibility of raising silkworms and producing natural silk in this country using the mulberry tree, according to the assistant secretary of campesino affairs, Edgar Tapia.

The high-level technical delegation will arrive here tomorrow to verify the potential to grow the mulberry tree in order to begin intensive silkworm and silk production in our country.

Some technicians are specialists in raising mulberry trees and others in the production of natural silk and raising silkworms.

This visit will be very helpful. Once it is verified that this activity is viable in Bolivia, it will provide alternative production in the tropical and subtropical sectors of the country.

There is a silk production shortage and a high demand on the silk market that cannot be met by the main producers: Japan, China, and Korea.

There is interest in eventually installing a factory that not only produces thread but silk fabric and clothing.

The delegation will be in Cochabamba, the Chapare zone, and northern Santa Cruz. Another potential zone is the La Paz jungle.

Raw silk is produced by a caterpillar that is known as a "silkworm." It is produced by segregating a viscous liquid in the form of a glossy thread.

The worm's habitat is the mulberry tree. It feeds from its leaves and spins cocoons of silk.

The normal process is to collect these cocoons and submerge them in warm water so the threads soften. They are separated mechanically. After being strengthened, these threads are cleansed of impurities, twisted, and preserved in order to be woven and sold as skeins of natural silk.

7717

Study on Displaced Miners Shows Large Numbers Emigrate

33480035a La Paz HOY in Spanish 3 Nov 87 p 16

[Text] About 14,000 families of laid-off miners have left the Mining Corporation of Bolivia (COMIBOL) production areas to look for better opportunities in parts unknown, both here and in neighboring countries.

This figure comes from a study conducted by the agency known as CERES, focusing on the social and economic situation of mining centers that were shut down as a result of government decisions.

Of that total, about 4,300 families settled in the district of La Paz, in both urban areas and some suburbs. About 3,700 families went to Cochabamba.

Other workers classified by the government as "relocated" also went to Chuquisaca, Tarija, and Santa Cruz, but large numbers also left for Chile, Argentina, and some for Brazil.

Outside the mines, the workers cannot find better living conditions. For example, in the Senkata district of the city of El Alto, the out-of-work miners are living in plastic tents without any water or electricity, enduring very adverse temperatures, according to the study.

It goes on to say that the majority of the former miners who went to La Paz received less than 5,000 bolivianos in severance pay for jobs that they had held in some cases more than 30 years.

In many instances, the lack of employment has forced the jobless miners to perform work they have never done before, says the document.

In other cases, the miners have invested their tiny capital in businesses without any kind of guarantee, and have suffered irreversible losses.

In addition, some have tried to organize production cooperatives, but they have few prospects in this area, primarily because of smuggling.

Moreover, the lack of state programs to develop cooperativism means that they have few options for engaging in enough work to meet their basic needs.

In view of this situation, it is concluded that the former miners, having devoted their youth and their most vital years to mining, now face a life of dire poverty, without decent living conditions, much less a fair retirement, adds the study.

08926

Production Activity Reported High in Mining Cooperatives

33480035e La Paz EL DIARIO in Spanish
4 Nov 87 p 5

[Text] The latest reports from Catavi indicate that the production levels of the four mining cooperatives are stable, reaching an average of 300 metric tons of tin per month, with a tin content of 0.27 percent.

They also add that in view of the recent offer by the Metallurgical Enterprise of Vinto for the purchase of concentrates at prices referenced on the international market, there is general agreement on beginning a period of marketing with the aforementioned foundry, involving all existing supplies of this metal.

Activity

In addition, it is noted that the activity of the cooperatives has led to a slight resurgence of business in several towns in northern Potosi. As a result, several indicators are experiencing an upturn, especially commerce and job creation.

The transportation of both goods and passengers is increasing gradually, enabling many sectors to regain a new dynamic.

New Plan

Experts at the Mining Ministry have stated that the overall situation in this district will improve substantially because of the implementation of the Rehabilitation Plan. Not only will the plan strengthen the cooperatives, but it will also bolster other sources of employment such as foundries and repair shops.

In this regard, they indicated that the results of the evaluation of the project submitted by the Mineworkers Federation are being awaited, and that if the plan is accepted as feasible and profitable, it will be executed immediately. If not, there is the alternative of putting into effect the Mining Ministry's Rehabilitation Plan.

Studies

At present the Catavi Rehabilitation Project drafted by the technicians and advisers of the Mineworkers Federation is being studied by the ministry and by the commissions of the engineering schools, who announced that they will be finished soon.

08926

FSTMB Proposes Plan To Reactivate Tin Mines

33480035d La Paz HOY in Spanish 5 Nov 87 p 5

[Text] The Trade Union Federation of Bolivian Mineworkers (FSTMB) maintains that the plan to reactivate tin production, with an investment of \$24.8 million and a working capital contribution of \$5.37 million, is profitable.

The summary of the Bolivian Mining Corporation production reactivation plan states that the state-owned mines contain tremendous tin reserves in their shafts, enough to support continued tin mining.

"The mining will be carried out with current conventional methods, utilizing existing equipment and machinery, optimizing ground breaking, transferring the ore through chutes, hoisting by squares, and transporting the ore by locomotive and/or dumpers with compatible specifications, all aimed at improving productivity."

The plan is designed in two stages. The first one, which covers 1988, will involve feeding ore to the foundries in accordance with the deposit's capabilities. An effort will be made to take advantage of the greater capacity of installed machinery and equipment and the different purities of tin in the industrial reserves in order to exploit this resource more rationally.

The second stage, covering 1989 and 1990, will involve preparing the deposits for expanding the foundries of the Huanuni, Caracoles, Viloco, and Colquiri mining firms. The supply sent to the foundries will be increased to 1,945,320 tons per year, with a tin content of 0.93 percent.

The plan's profitability lies in the real tin content of the ore fed to the plants, and in the marketing costs, which were taken from the market value as a function of the percentage of tin in the concentrate. One factor in this calculation is the cost of treatment, which amounts to \$500 per ton at the National Foundry Enterprise. This estimate is totally feasible, considering the reorganization of this enterprise so that it functions as a service entity, without the subsidies and prerogatives it had in its previous 17 years of operation.

08926

Mining Sector Not in Need of Private Capital

33480035b La Paz EL DIARIO in Spanish
11 Nov 87 p 8

[Text] Oruro—The daily LA PATRIA has published statements by the general manager of the Bolivian Mining Corporation (COMIBOL) in which he categorically asserts that "there is no evidence that the nationalized mines will be turned over to private interests." He adds that "time will be our best ally in the near future to disprove with positive results the deceitful claims that the nationalized mines are being allowed to deteriorate deliberately so that they can be turned over to private interests."

Barrientos made these statements in response to assertions by the executive secretary of the Trade Union Federation of Bolivian Mineworkers (FSTMB), Victor Lopez.

The COMIBOL executive indicated that "due consideration is given to private capital in COMIBOL, but under the present circumstances its participation is not needed. The rehabilitation plan being pursued by the national government within the framework of investments aimed at yielding revenues and profits is in a promising stage."

This means that there is no better response than to begin production at San Jose, Santa Fe, San Vicente, Quechisla, Caracoles, Viloco, Unificada, and the soon to be opened Poopo-Machacamarca, Huanuni, plus the implementation of the Bolivar Polymetallurgical facility."

This is the extent of the coverage provided in the only local daily. Meanwhile, Oruro is still in a "state of emergency, calling for the reactivation of mining and industry in the district." An Oruro unity march was called off "by the Civic Committee," which argued that "good progress" is being made on the items on the agenda presented to the president of the republic.

08926

Karachipampa Complex Remains Inactive
33480035c La Paz EL DIARIO in Spanish
10 Nov 87 p 5

[Text] The Karachipampa Polymetallurgical Complex will not begin operating until the supply of lead and silver concentrates is assured, stated experts from the Ministry of Mining and Metallurgy.

The situation at the foundry is much more complicated than that observed at Vinto, because the Karachipampa plant requires all of the concentrates to function, while Vinto may operate with only partial amounts.

For this reason, they emphasized, a plan to rehabilitate the complex will be implemented for the purpose of ensuring the supply of lead and silver concentrates.

In addition to the Social Emergency Fund, \$1 million has been earmarked to enable cooperatives and other businesses involved in lead (Pb) and silver (Ag) mining to provide sufficient reliable quantities to the complex in the form of concentrates.

This announcement, which will also be formalized in Potosi today, along with other provisions, will allow the delivery of concentrates to return to normal within the term of the next administration, and will later provide the necessary continuity for Karachipampa to function. By 1989, it should be operating full-time.

Similarly, plans call for some enterprises of the Bolivian Mining Corporation to be rehabilitated by the next administration, and all of their concentrate production should be allocated to the aforementioned plant.

The complex requires 51,000 metric tons of lead concentrates and 21,000 tons of silver each year so that it can work full-time smelting high purity ingots.

08926

Poll Portrays Ideal President, Likely Losers, Winners

33420030 Rio de Janeiro O GLOBO in Portuguese
6 Dec 87 pp 12, 13, 14, 15

[Text] What should the next president of the Republic be like? A healthy gentleman (or lady) of about 50 years. There is a certain amount of flexibility with respect to age—as long as it is less than 60. With regard to health, be careful: Arterial implants can be a liability. Heart disease and cancer disqualify you. Physical beauty is not required; but if you are ugly, at least be nice. An indispensable condition for presiding over the country: belief in God.

There is more: if the choice were to be made on the basis of the candidates' education, preferred choices would be economists (25 percent) and business managers (22 percent). In addition to feeling anguish in the face of financial and economic reality, there is a nostalgia for a vision of Brazil dedicated to development and material progress: Entrepreneurs are favored over governors 24 percent to 21 percent in voter preferences.

These lines in the overall sketch of the future president result from a poll taken by Ibope, exclusively for O GLOBO, of 300 people in Metro Rio and another 300 in Metro Sao Paulo. It cannot be forgotten that the two areas polled comprise some 13.5 million voters—a considerable weight when it comes to electing or defeating a particular candidate.

Each person interviewed was asked if he would or would not vote for a candidate who represented certain characteristics or positions. It is clear, of course, that a "no" response has a greater impact: beyond a certain point, it means a practical disqualification from the race. A "yes," however, is simply a green light for the approved candidate in this preliminary round to carry on the fight.

The first group of questions concerned what Ibope defines as "characteristics and habits." The part which, directly or indirectly, deals with the health of the candidates indicates that, after the frustration generated by Tancredo Neves' death, voters have become more demanding—and distrustful—in this area. Forty-seven percent agreed that they would vote for someone who had already suffered a heart attack. But 52 percent responded that they would not. Having cancer causes an even more drastic response: the "no's" outvote the "yes's" 67 percent to 30 percent. A candidate who had an arterial implant could expect up to 58 percent of the vote; but 41 percent would turn their backs on him.

Examined more carefully, reality is harsher than it appears, for one reason: there will be two rounds in the election. And does it appear likely that a candidate, having undergone arterial implants and thus already suffered the rejection of 41 percent of the voters, be able to count on 50 percent of eligible votes? Viewed in this

way, one can see how remote the possibility is for a candidate of, for example, Tancredo's age when he came before the electoral college, to be chosen in a direct election.

Analysis of the percentages shows that there are not many gaps through which the hopes of candidates over 65 may filter. Forty-three percent of voters would vote for such a candidate; but 56 percent would not. Only 1 percent does not express an opinion. Worse: according to the age ranges, the rejection index varies between 54 percent (voters between 18 and 29 years old) and 57 percent (30 to 49 years). The oldest voters (over 50) simply confirm the general trend, with 56 percent.

Habits or attitudes related to vices or addictions have considerable influence—and with curious nuances—with respect to granting or denying support to a potential candidate. Only 22 percent would reject the possibility of voting for a smoker. And if it was someone that smoked marijuana? There, the rejection rate increases to 55 percent; the likelihood of support falls to 44 percent. An important detail: Among young voters, this characteristic is also influential. But not as much. Among those between 18 and 29 years, the levels of possible approval and rejection remain at 52 percent and 47 percent, respectively.

In terms of honesty, Brazilians want their future president to be free of temptation. That explains the violent rejection of those who gamble: 72 percent, a rate that is more pronounced among women (75 percent) than men (69 percent).

There are other interesting pieces of information: the future president need not be an athlete. A contingent of 85 percent of voters would vote for someone who does not practice sports. But be careful: Those who do not like sports, whether as a spectator, participant or fan, fall into a high level of risk: 36 percent rejection—a level that climbs to 46 percent among men. Not liking Carnival (could it be the fate of having a buffoon for president?) is less damaging: the rejection rate is more moderate, around 26 percent. Opinions on musical taste give an opening to, for example, Mario Henrique Simonsen: 78 percent would not rule out voting for someone who only likes opera and classical music.

Are there signs here that the voter is not letting himself be influenced by petty items? So it appears: the rejection level for someone who has had plastic surgery is low (15 percent); the aversion for those who dye their hair in order to appear younger is somewhat higher (26 percent).

There are subtleties worth noting. For example: Voters may disdain mere appearance, but they seem to place overt emphasis on details that reveal a personality. They accept with open heart those who are ugly (the rejection rates is an insignificant 5 percent), but withdraw their support from those who are not nice (a rejection rate that is fully disqualifying: 54 percent). And they despise those

who quarrel (61 percent). They accept, at practically equal levels, those who always dress casually (88 percent) and those who are never without coat and tie (90 percent).

Returning to the question of relations with God: Brazilians appear to be heading toward an ecumenical position. There is still significant rejection of non-Catholic candidates (73 percent would vote for one, 26 percent would not). The negative vote rises for those running for office who claim not to belong to any religion: 41 percent would deny such a candidate their vote. And the rejection rate reaches the dimensions of outright dismissal for a candidate who, because of absolute lack of faith, would attempt to govern Brazil without counting on the help of God: 77 percent of the voters reject the prospect of seeing the country administered without Heaven's blessing.

The Poll's Criteria

The field work for this poll was performed between November 2 and 4. The objective, according to Ibope: "to bring out the personal characteristics, habits and political positions of an ideal President of the Republic according to the voters in question." The area polled: Metro Rio (municipalities of Rio de Janeiro, Duque de Caxias, Nilopolis, Niteroi, Nova Iguaçu, São Gonçalo and São João de Meriti) and Metro São Paulo (in addition to the capital, the 36 surrounding municipalities).

Six hundred people were interviewed—300 in Metro Rio, 300 in Metro São Paulo—and the results are presented in totals as well as broken down by sex, age groups (18 to 29, 30 to 49, and greater than 50) and level of education.

The Economy, a Nation-Wide Concern

First point: A large part of the financial resources of Brazilian men and women is now in the stock market or in their pocket. Second point: There is a desire for practical solutions—and for leadership with a practical spirit. These are acceptable interpretations for the responses contained in two sections of the poll, which refer to presidential models in terms of education and recent experience. Levels of rejection were not measured in either case; the poll simply sought to define the predisposition to support certain possible scenarios.

It is in the analysis of educational preferences for the possible candidates that the concern for financial and economic matters is manifested. For 25 percent of the people polled, the ideal candidate to succeed José Sarney would be an economist. That preference is especially clear in Metro São Paulo, where it reaches 28 percent of those polled, as opposed to 21 percent in Metro Rio. If the chosen candidate cannot be an economist, then he should be a businessman (22 percent overall, 24 percent in Metro São Paulo, 20 percent in Metro Rio). In both

cases, it would be an unprecedented experience for Brazil. And despite the novelty involved, both scenarios are by far preferred to the third possibility, which has already been tested several times during the long history of the Republic: 10 percent of those polled favor awarding the Presidency to a military candidate.

Sociologists and journalists—considered within the same category—win 8 percent of those polled, tied with university professors. The approval ratings for those traditionally linked with the exercise of political office is far down the list: 6 percent favor a lawyer; 7 percent would choose an engineer; and 4 percent hope for a doctor (like Juscelino Kubitschek) to provide the cure the country needs.

Are these results based upon the recent past? There is another surprise. What is wanted is an entrepreneur managing the country. And that is the wish of 24 percent of all Brazilians. In the political class, the best rating went to former and present state governors: Together, they do not win more than 21 percent. But be careful, this fact should not be taken lightly; everything indicates that inclinations for one side or the other vary between regions. In Metro São Paulo, entrepreneurs: 30 percent against 14 percent. In Metro Rio, governors and ex-governors lead: 28 percent approval. More important, here the entrepreneurs even lose second place; 19 percent bet on the political option, and want one of the current Constituent Representatives in tomorrow's presidency. In the overall count, the Constituent Representatives do not fare so badly; they are in third place, with 17 percent, 3 points ahead of "a politician who has not served as state governor" (14 percent).

Not Having a Bad Record in the Past Is Essential

Presidential candidates should prepare themselves: voters will attempt to scrutinize their pasts—as much in those aspects directly associated with political activities as in those which could be understood to be good or bad indications of what behavior in office would be like. The candidate should know that some of his activities will gain precious points; and even more serious, that there are others which will constitute impassable obstacles. The voter wants to have a way of predicting a particular political as well as ethical direction in the next administration.

It is time to re-examine the implications of this two-fold point and, when possible, attempt to clear them up. For example: The sphere of ethics is the worst of all possible tripping stones for future candidates. It is translated simply as "having been accused of corruption." The candidate attempting to run a campaign with that stain will face a frightening rejection rate of 86 percent—or 88 percent when the voters of Metro Rio themselves are considered. Surrounding oneself with relatives in the exercise of the public duty will also penalize a candidate: 76 percent of those polled would not vote for such a person. Less serious—but still very dangerous—is having

been, sometime in one's life, on trial "for some criminal misconduct." It is the same as having 72 percent of the voters distributed among adversarial candidates.

Inexperience also counts among mortal sins: 81 percent of voters reject candidates who have not exercised administrative duty either in the public or private sector. Thirty-three percent would deny their support to a candidate having never been elected to public office; and 23 percent would reject—as opposed to 76 percent who would favor—a candidate who had not been a state governor. The framework of rating experience levels is completed with this statistic: 63 percent would accept a candidate who had "more political than administrative experience;" but 35 percent would reject such a candidate.

But it is precisely the political arena that harbors some of the most dangerous experience: it is practically unthinkable—with a 72 percent rejection level—for a candidate to win who had voted against the direct elections. In reality, there is perhaps a contradiction in this statistic: The rejection level is also high—35 percent—for those who have at one time been arrested for a political crime. A candidate will gain points for having been a "student political leader;" with such a past, the candidate has carte blanche among 86 percent of the electorate. And he would be flatly rejected by only 12 percent.

In several areas the result of the poll shows truly dividing lines. To be in favor of private enterprise (67 percent acceptance, 27 percent rejection) yields much higher returns than to promote nationalization (55 percent versus 33 percent).

And what to say of one's possible supporters? This could be the grand enigma for the candidates to resolve: how to prevent supporters from becoming liabilities in retrospect? The legend, based at time on reality, exists that no support is better than that of the government. Or of the government machinery. However, the Ibope poll points to one aspect of that support as one of the heaviest millstones for a candidate to carry: to be supported by President Sarney translates into acceptance by 38 percent of the electorate; but it brings the rejection of 60 percent. To search for support on the other side of the political current—among the communists—provokes an almost equal level of rejection: 55 percent. And to shelter oneself with the support of the military? That is less serious: 57 percent would accept, 41 percent would reject.

In relative terms, the far right fares reasonably well: 53 percent of those polled consider feasible the scenario of voting for a candidate supported by that group. And 35 percent reject that possibility. And it is equally clear that parties lose to individuals: 65 percent would vote for someone who did not belong to the party of their choice.

A valuable lesson: Be careful, not only with your supporters, but also with alliances. Forty-three percent of voters would agree to vote for a candidate for President who had, as a candidate for Vice President, someone of whom the voter did not approve. But 54 percent—a definite electoral penalty—would not approve of such a scenario.

Most Important of All, Healthy and Strong

Tancredo Neves used to be cited as an example of perfect health—and sickness did not even allow him to receive the presidential banner. General Joao Batista Figueiredo exercised and practiced horseback riding: in addition to the pain that tormented him as a result of a spinal injury, he had to have his heart re-worked in Cleveland. Contrast: Eurico Gaspar Dutra was refused in his first attempt to join the Army because of a heart problem; however, he had the heart and stamina to reach the top in his military career and to complete terms as Minister of War and President of the Republic, apparently healthy.

The still recent shock of the loss of Tancredo and the more or less remote lesson that appearances and medical testimony have only relative value have been made all too clear to voters; now, they bet on a factor statistically more certain than physical resistance: They want a relatively young president—the average age preferred by those polled would result in someone of around 50—capable, in theory, of surviving to the end the glories or the disappointments of office. There is, of course, tolerance in this question of age, but from 61 years on, each additional year appears to place the candidate closer to unmentionable disqualification.

Analysis of the response of those polled basically indicates the following: 1. Youth is seen as a possible guarantee; 2. Within this preference for youth, there is something approaching a fatal limit: 60 years of age. The preference of 29 percent of the voters is for someone of between 35 and 45 years of age; 26 percent would vote for a person between 46 and 50; 18 percent indicate an ideal range of between 51 and 55; and 15 percent place it between 56 and 60. From there a level of rejection sets in which becomes a virtual people's veto for those more than 70. These ranges are defined thus: from 61 to 65—6 percent; from 66 to 70—3 percent; over 70—zero.

For those who have already attained a more advanced age, the poll leaves no hope for expecting a broader level of acceptance. First: The levels do not vary significantly according to sex, educational level of region (Metro Rio or Metro Sao Paulo) of those polled. There is, of course, a notable variance, but it does not improve—rather it worsens—the general consensus: among younger voters, the chances of having a president with a maximum age of 45 is significantly greater. Second: Those who, at this moment, do not believe age is important, are very few (scarcely 4 percent of the electorate).

A Decisive Point: Respect for Workers' Rights

When their responses were translated into evaluations of the positions of the possible candidates, one thing was clear: the importance that labor questions—or the social question—are likely to have during the campaign. When 87 percent of those polled—one of the highest rates demonstrated in the entire poll—state that they would not vote for anyone who “had been against the labor unions,” they are most certainly strongly stating a position.

This concern becomes clear when one considers the rejection rate of 63 percent of the voters for a candidate who would oppose strikes in the private sector. Or when that level becomes substantially lower—although still high at 41 percent—when applied to those who oppose strikes in the essential services, such as health, transport and education. Or when those polled deny their support—58 percent overall—to candidates who oppose the 44 hour work week.

When we move to the results of the political questions, the voter continues to be rigorous. But not as much so. He is disposed to denying his vote to those candidates who do not support fixing the length of Sarney's term of office to 4 years; the rejection level—51 percent—is, overall, much less than the 87 percent with which those who are against unions would be punished.

It is curious: to rigorously fight against labor favoritism in the public service provokes a rejection rate of 22 percent.

Brazil Does Not Follow the USA in Moral Questions

An important fact in the Ibope poll: The factors which, in the spheres of morality and customs, could—or might not—ruin a candidate in the next presidential elections are beginning to develop their own characteristics in Brazil. In the United States, a recent case—that of Gary Hart, who had to abandon his dream of winning the White House while only at the beginning of his campaign—proves how much weight, there, is given the discovery of extra-marital affairs.

In Brazil, that would be a factor of rejection—but not as serious. As a matter of fact, 30 percent of those polled would not vote for someone who had cultivated “extra-marital relations.” But 67 percent would vote for someone in such circumstances, without any twinges of conscious.

This is quite different from what occurs in the United States, where such relations, when made public, serve as a liability for years to the activities of the politician involved. Ever since the accident with his secretary, Edward Kennedy does not move beyond the status of quasi-candidate for the U.S. presidency. Perhaps Brazil also is closer than the United States to having a woman

president. There is still some resistance—but it is not enormous. Only 24 percent of the voters would refuse, in principle, to vote for a woman candidate—a level which, among the female vote, falls to 18 percent.

There are points of similarity. In Brazil, to admit to having smoked marijuana casts a shadow of the guillotine over the ambitions of potential candidates to the presidency: it is equivalent to defying 55 percent of the voters. It is true that such a claim has not yet claimed real victims—while in the United States, recently, Judge Douglas Howard Ginsburg was barred from filling the vacancy on the Supreme Court for having admitted that he smoked marijuana “a few times” during the 1960's and 1970's.

There are differences that are not only spatial. They are also temporal. Today, 73 percent of Brazilians are willing to oppose the election of a president who has had a serious problem with alcohol. Four or 5 decades ago, Winston Churchill, whether inside or outside the government, was the hero of England—all the while amusing himself drawing figures and trying to calculate how many truckloads of whiskey he would have consumed during the length of his life.

Finally: Ronald Reagan was elected after having well passed 70 years of age. Here and now, in principle, he would be disqualified from even being a candidate to the candidacy, if his campaign depended upon a poll.

Firm Positions, But Willing To Negotiate

Negotiate, yes. Submit, no. When reactions to the question of the foreign debt are considered, the impression is that the voter has resorted to just such a subtlety in defining his position—and his requirements. He wants to have a president who knows how to negotiate on all fronts, without giving in.

In this respect, the candidate who supposedly would be disposed to give in to pressure on the part of foreign banks would be hit with the highest rejection level—64 percent. The reaction is clear among those who have achieved a higher educational level: 77 percent dislike the possibility of contributing to the election of a president who crosses the line from negotiation to submission.

Control by the IMF? Unacceptable, according to 60 percent. There again, the resistance is going from the lowest to the highest educational levels: 44 percent among those who have only received an elementary education; 56 percent among those who completed high school; 72 percent for those with education beyond that level.

The Losers

The clear stance against negotiation with creditors and the inflexible stand with respect to international relations decreases his chance, more than does his age, whatever Miguel Arraes de Alencar, a Cearense from Crato who will be celebrating his 72nd birthday on the 15th of this month, might hope.

Brizola—although the clarity of his positions captures part of the electorate, his radicalism on the debt question, his lack of support for negotiation on the economic question, and his age reduce to virtually zero his appeal to the electorate in Metro Rio and Metro Sao Paulo.

Ulysses—His 71 years and his recent health problems destroy once and for all any pretension to the presidency, despite his long parliamentary career and his leadership and presence over the last few years. His taste for meetings well-stocked with fruit aguardiente only increases his difficulties: 73 percent of those polled disapprove of the use of alcoholic drinks.

Covas—His health problems (two arterial implants and chest surgery) at 57 years of age, as well as his radical speeches on foreign issues weigh negatively. In his favor is his knowledge of administration—he was one of the co-administrators of Sao Paulo for 33 months—as well as his successes as an engineer in the private sector, during the period in which he remained out of politics, which was interrupted in 1964.

Funaro—At 53 his profile would have a good chance at gaining support, because of his managerial experience as an entrepreneur—he currently occupies the position of President of the Administrative Council of Trol, a firm which has had problems but which has returned full-blast after an administrative reform—and his concern for economic issues, if it were not for the bad health which he has battled for years, and his inflexible position on the foreign debt.

Lula—His 42 years and his firm positions will always gain him support, certainly, but, as with the example of the others, he will be rejected by the fact that 58 percent of those polled would not accept a candidate for the presidency who refuses to negotiate with the foreign banks. The requirement for a detailed knowledge of economics will also reduce his chances.

The fact that he has not attended college will not disqualify him, since 51 percent of those polled do not consider that a necessary precondition. However, his rough manners bring him down once again: 61 percent reject such behavior in the idealized president.

Valdir Pires—A lawyer, more than 60 years old, with only a brief tenure in administration—he was Minister of Social Security for 10 months—public or private, he

now has, in his leadership of the Government of Bahia, his opportunity to convince the voters. His reaction to the question of the international economy constitutes an impediment.

The Winners

Councilman, mayor, entrepreneur and rancher, Orestes Quercia, at 49, possesses the qualifications that are desired, on average, by those polled. Firm on the debt question, he does not discard the possibility of negotiation, and considers foreign economic relations as necessary to development. In politics, he consolidated his prestige by organizing mayors from all over Brazil in the Brazilian Mayors' Union.

Antonio Ermirio—The valuable experience leading the Grupo Votorandim, the largest Brazilian corporation, his economic knowledge, and his strong position on a solution for the debt comprise his primary qualifications for the ideal president as imagined by those polled. At 56 years of age, but healthy, he is a bit older than the desired average (50).

Afif—At 44 years old, the current Deputy Guilherme Afif Domingos has for 10 years built a career marked by fighting the state bureaucracy, the injustice of taxes, and the disorganization of the wage movement, and he is in favor of a broad negotiation of the foreign debt. He was president of the Sao Paulo Development Bank, then Secretary of Agriculture and Supply in the Maluf administration, from which he has distanced himself in recent years, launching himself also into politics as president of the Sao Paulo Commercial Association. There he created a combative record claiming that taxes charged on basic staple goods were responsible for poverty and created economic disarray. With that record, Afif grows on the list as a candidate springing from an advisory position to the support of Rio and Sao Paulo voters.

Moreira—His adversaries cite as his principal defect his unfaithfulness to parties. However, at 43 years of age, Willington Moreira Franco does not see that as an obstacle, if he ends up as a candidate to the presidency. Some 65 percent of those polled would still vote for a individual, not taking into account the party to which he belongs. The requirement for administrative experience (indicated by 76 percent of those polled) gains him support in his role as mayor and will be tested during his tenure as state governor. As a strong negotiator, his record gains points in the eyes of the voters.

Caiado—At 38 years old, Ronaldo Caiado has succeeded in combining his work as a neurosurgeon in Goiania and manager of a 5,000 hectare ranch with the first strong leadership of rural producers. A graduate of the French medical system, he broadened his education through the need for development of the producer class, as a base for the economic growth of the country. On those ideas, he organized the UDR, a body now inarguably wielding influential power among politicians. He is adept at

parliamentary procedure and is in favor of the total separation of the state from the management of the economy. A centrist by definition, he is in favor of broad negotiation as a base for finding solutions to the questions of national importance.

Marco Maciel—A politician by family tradition, this Pernambuco is noted for his capacity for work. He sleeps three of four hours a day and enjoys relaxing in front of the television with his family. He has never smoked and is a fierce adversary of the cigarette industry, which will endear him to the 22 percent of those polled who see in that a quality. An articulator of political ideas, he is in favor of broad negotiation in the issues of national importance.

Aureliano—His concern for ethics and his probity, added to his long experience as a public figure, permits us to include him among those who display the qualities the voters have begun to define as ideal. At 59 (his age could constitute an impediment), Engineer Aureliano Chaves de Mendonca has demonstrated an increasing alienation from the center of government, focusing instead on his campaign, which is still under discussion within the PFL.

Montoro—His ability as a negotiator, his knowledge of legislation, and a rich parliamentary life partly make up for the rejection of half the voters who consider age above 50 (he is 71) as unworthy of vote. The question of the foreign debt and the organization of a system of government are topics which have occupied his thoughts over the last few years.

Newton Cardoso—At 46 years his combativeness and frankness are certainly points which lend themselves most easily to the ideal profile. Apart from that Cardoso, a Baiano from Brumado, provides on his administrative record (he is a former mayor) priority attention to education and basic health.

Maluf—After having occupied one of the pre-eminent places in the political scene, Engineer Paulo Maluf, 56, is dedicating himself to administration of the Grupo Euatex, which he runs. Controversial, his record appeals to a large number of those interviewed: a negotiator, firm in his positions, an agile administrator.

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Leading Indicators Attest to Stagnation of Economy

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[Text] What if suddenly, as though by magic, the government were to make the public deficit disappear, renegotiate the foreign debt on more favorable terms, and persuade private firms to invest massively in increased production? All three hypotheses obviously have value only in the realm of fantasy. But they are

nevertheless useful if one wishes to measure the real dimension and seriousness of the Brazilian crisis. Because even if all three came true in the near future, the fact remains—contrary to what is usually imagined—that the country would not be free of stagnation within the next few years. Without being fatalistic at all, one can say right now that it will be impossible to repeat the country's historical growth rates of 7 percent per year because that would require investment levels exceeding 20 percent of GDP. And except for 1986, the country has remained far below that level for 5 years exactly.

Behind the succession of orthodox and heterodox shocks, the rise and fall of inflation, the nervous fluctuations of industrial production, and all the short-term tribulations, the crisis now taking shape is a deep one. Another 2 or 3 years of this almost general paralysis and Brazil will reach the 1990's having frittered away that which, willy-nilly, was built up in the 1980's. It will still have all its gigantic social macroproblems, an infrastructure and an industrial plant on the verge of premature obsolescence, and, even more serious, a population that is in despair—because it has awakened from its dream of a "Great Brazil" with nothing to take its place. Some bottlenecks are already foreseeable by the turn of the decade. The rationing of electricity, for example, which has already been tried out in the Northeast this year, may hit the South and Southeast as early as 1991. A shortage of some types of steel beginning in 1989 is already being acknowledged even in the official forecasts. The persistent lag in telephone service is threatening to throw the entire telecommunications system in the major urban centers into confusion, and on top of all that are the many serious deficiencies in transportation and warehousing.

But there is also another obstacle in sight, and that is the growing technological gap separating domestic industry from its counterpart in other countries. The price of that lag—made worse in recent years by the lack of investment funds and even of a willingness to invest in new processes, new products, and the training of manpower, and the erroneous policy adopted in the key sector of data processing—will be the loss of Brazil's external competitiveness even in such traditional sectors as textiles.

With no prospect of escaping that crisis in the short term—that is, unable to offer consistent increases in supply—the Brazilian economy is reacting to every slight tremor in demand as though it were an earthquake. That brings more instability, more speculation, and, inevitably, more inflation, thus making the evil of stagnation even worse. EXAME hopes that the comprehensive survey on the following pages will contribute to a resumption of debate on the need to develop the country along new lines—by adopting new patterns in which the role of the state, foreign capital, and domestic private enterprise will necessarily have to be revised.

Basically, the lack of alternatives reflects the end of a cycle of development in the country's economy. The end has been dragging on for at least 4 years, ever since the disruption of the international financial market. That cycle, based on the Second National Development Plan (PND), was predicated on the construction, expansion, and modernization of infrastructure and of industrial facilities for basic inputs, the goal being import substitution. Its foundation was the all-powerful public sector underpinned by foreign loans, which were still abundant and cheap. Despite the hailstorm of criticism concerning the inconsistency and poor timing of the PND—which grandly ignored the oil shock—the fact is that it changed the face of Brazil. From being an importer, the country became an exporter of a number of basic products such as paper and cellulose, steel, nonferrous metals, petrochemicals, and so on.

But the picture has changed radically since the end of the 1970's. The closing off of financing channels and the rush of interest rates kicked the props out from under the superindebted state-run agencies and enterprises—whose number had increased in the 1960's and 1970's as an extension of the power of the state and which had served as offshoots of the government for getting money abroad. In practice, foreign loans were used only to refinance previous commitments and, in many cases, to replace the private sector's foreign debts with jumbo financing packages controlled by the public sector. On the other hand, the policy of generating giant trade surpluses to cover debt service forced the country to send a considerable volume of real resources abroad: the high point in those transfers—5.4 percent of GDP—was reached in 1984.

The drastic reduction in external savings—they have fallen from 5.3 percent of GDP in 1980 to only 1.4 percent in 1987—combined with the recessive adjustment of the economy and the policy of containing inflation at the cost of squashing the government's rates and prices, eventually built the trap now holding the public sector prisoner. And this can be seen in the most diverse indicators: an operating deficit on the order of 350 billion cruzados (3.5 percent of GDP), net tax revenues totaling only 10 percent of GDP (compared to over 15 percent during the first half of the 1970's), a Federal bond debt that already exceeds 2.5 trillion cruzados, and, as a consequence, a savings and investment capacity of literally zero (compared to 4.1 and 4.7 percent respectively in 1975). For their part, and as of December 1986, the 179 government-owned enterprises in the productive sector had a capital structure in which an average of only 38 percent was provided by their own funds, compared to 62 percent provided by others. "Our objective is to change that ratio to 60:40," says Julio Colombi, head of the Special Secretariat for the Supervision of Government-Owned Enterprises (SEST), thus confirming the financial prison into which the government-owned enterprises have gotten themselves.

The government's overload is made obvious by, among other things, the stagnation in spending that is apparent

in its typical field of activity, the social area (see the graphs at the end of this article). The old administration is out and the new one is in, but the Treasury is still just as parcimonious in its distribution of funds to ministries in the social area. The excesses, waste, and lack of moderation on the part of the state and its enterprises—including their infiltration of sectors originally reserved for private enterprise—may aggravate the situation, but perhaps not in the proportions imagined.

The hard reality is that even if those problems were extirpated—and from the moral standpoint, their extirpation is imperative—the financial knot in the public sector would not be loosened. "There is no tax reform capable of eliminating it," claims economist Luiz Gonzaga de Mello Belluzzo of UNICAMP [Campinas State University], who was one of the leaders in the Ministry of Finance under Dilson Funaro.

The National Development Fund (FND), established in July 1986, marked the most recent attempt to capitalize the public sector. But it began life as a bent twig and succumbed to the post-cruzado storm. The compulsory deposit on vehicles could not withstand the pressures from the automobile industry, and the deposits on fuels and travel abroad—the other two pillars of the fund—are also destined to have a short life. Proof can be seen in the fact that the FND's original budget for this year was based on an inflation rate of only 120 percent (compared to an actual price rise of over 300 percent) and predicated a total of 70 billion cruzados in compulsory deposits—and naturally, that amount was earmarked in its entirety. Now, however, no one is expecting a total of more than 50 billion cruzados. When all is said and done, the only thing achieved has been the creation of one more fund for the Treasury to control.

For that and other reasons, the public sector long ago exhausted its ability to save. That is why the "investments" called for in the official plans have been systematically financed outside the state sector itself. That financing has been obtained by placing more and more bond issues, the consequences of which have been an increase in the national debt and the expulsion of private securities from the market in what amounts to a perverse and involuntary state takeover of credit. Or it has been obtained purely and simply by printing money, an expedient which, in the long run, will come to constitute a regressive inflationary tax.

The situation in the present circumstances is that whereas the public sector has not the slightest possibility of resuming its investments, the private sector has no inclination to do so. It is true that the latter has managed to return to its previous savings levels, which were sharply reduced during the recession of the early 1980's: its savings, which amounted to 14.9 percent of GDP in 1980, fell to 11.4 percent in 1983 and are back up to 18.1 percent this year. But most of the firms are still avoiding long-term investments simply because they do not know where to put their money or whether it will bring a

return. Meanwhile, they are feeding an overnight market of 1 trillion cruzados per day and thereby helping to finance the insatiable public sector.

The trend in disbursements by the National Economic and Social Development Bank (BNDES) has been favorable: up 10 percent in real terms in 1985, 22 percent in 1986, and 31 percent through September of this year. But the projects in question are generally of a short-term nature and quite specific, thus attesting to the limited nature of that movement of funds (see below under the subhead "The Caution of the Firms"). "The only ones investing are those with an assured foreign market," says Arthur Joao Donato, chairman of the Rio de Janeiro Federation of Industries (FIRJAN). Luis Octavio Vieira, deputy chairman of the National Confederation of Industries (CNI), goes further: "It is necessary to resolve a series of institutional and political imbroglios, and only then will it be possible to create a healthy economic climate that will encourage investment."

In short, most businessmen are waiting for the government to provide a strong signal as to where the economy is going before resuming their investments—although there is a unanimous desire to see the public sector stick solely to its basic activities and open up more room for private enterprise. "Even if there were no public deficit, the worldwide trend is toward privatization because state enterprises usually do not respond to the requirements of new technological patterns and efficient management," argues economist Carlos Alberto Primo Braga of the USP [Sao Paulo University].

For their part, the foreign firms are gradually beating a retreat, being discouraged by the lack of pep in the Brazilian economy and the threats of an advancing "nationalist tide" that began with the protected market established for data processing. And many of them are moving in the direction of the United States, which has started giving preferential treatment to foreign capital in order to plug the hole in its own finances. The process peaked in 1986, when the net outflow of foreign investment exceeded \$100 million, compared to an average annual inflow of \$1 billion between 1981 and 1985.

Because of restrained demand in the early 1980's, the lack of public and private investment was not in fact very noticeable. But there was fear during the recession that failure to take advantage of the prodigious industrial capacity established in previous years would lead to its becoming unusable, as happened in Argentina. This was so true that at the end of 1984, when consumption turned upward again on the strength of domestic demand, there was a general belief that it was possible to enter a new cycle of development based on the use of Brazilian industry's installed capacity—and thus to repeat the experience of the controversial "miracle" of the 1960's and 1970's.

But that movement was short-winded. And it finally collapsed dramatically thanks to the cruzado, with the inhabitants living in what resembled a wartime situation—paying what they could or even what they could not for a kilogram of meat or a television set. So what we had between the end of 1984 and 1986 was not the start of a new cycle of development, but the final gasp of the previous one. And even more serious, there is no obvious sign that the next cycle is on its way.

The official figures provide only a clue to the problem; they do not reveal its extent. That is chiefly because the government insists on making plans containing excessively optimistic goals as regards straightening out the state machinery, increasing production, investing, and so on. The Plan for Macroeconomic Control, which ties all its objectives to a reduction of the public deficit—to 3.5 percent of GDP this year and 2 percent next year—has barely started to be implemented and is already revealing enormous holes. The increase in government bureaucracy alone is enough to defeat the goal established for 1987 and, indirectly, that for 1988 as well.

Even worse, a harmonization of investment projections (19.5 percent of GDP in 1987 and 21.7 percent in 1988) with growth projections (between 3.5 and 5 percent and between 3.5 and 6 percent respectively) leads one to believe that the economy is going to be using a high percentage of its installed capacity in the near future. If so, there is no use even talking about the feasibility of the PAG [Government Action Plan]. It is more an accumulation of government hopes than of forecasts sustained by reality. Just to provide an idea of the distortions, it can be pointed out that although the total estimated expenditures for the period through 1991 amount to 14.3 trillion cruzados—one-third of them by the government—not a single concrete word is said about where that money is going to come from. But if there is one thing that the PAG is good for, that is its usefulness in diagnosing the poor state of the country: the alarming social deficits and the pretentiousness of the goals in the area of infrastructure reveal how much needs to be done—but not necessarily what will be done.

In the areas of infrastructure and basic industrial products, the problems generated by the lack of investment are already obvious. The case of electricity is, without a shadow of a doubt, the most critical. Energy rationing amounting to 10 percent is already necessary in the Northeast—with a resulting economic loss to the region's business activities of \$800 million annually—and supplies in the South and Southeast are assured only until 1991. "After that, only God knows what may happen," warns the chairman of ELETROBRAS [Brazilian Electric Power Companies, Inc.], Mario Bhering.

That sector adopted an investment program totaling \$6 billion per year—with one-third to come from its own billing income, one-third from the Treasury, and one-third from such institutions as the IBRD [International Bank for Reconstruction and Development] and the

IDB. But none of those investments are being carried out, and in fact, the amounts specified have been cut in half. The IBRD has released only part of its loan (in an amount of \$500 million). The sector's profitability—eroded by its excessive indebtedness and the squeeze on rates—has dropped from 10 percent to 3 percent. And the SEST's scissors have lopped \$1.2 billion from its investments. As a result, the only projects still in the works are Itaparica on the Sao Francisco River—scheduled to go into operation in 1988—the 800-kilometer-long transmission line from Tucuruí, and the completion of Itaipu and its transmission lines. Bhering warns: "There is a strong possibility of rationing in the South and the Southeast in 1991." And Jose Carlos Aleluia, chairman of the CHESF [Sao Francisco Hydroelectric Company], adds: "The Northeast is already paying up front for the lack of investments in the electricity sector." He foresees energy shortages in that region after 1991 as well.

Still in the area of infrastructure, telephone service is also facing threats. The chairman of TELEBRAS [Brazilian Telecommunications, Inc.], Almir Dias, says that to meet current demand, it would be necessary to install 2 million new terminals right now. But the firm's plans call for reaching that figure in a little over 2 years. One can therefore understand why the congestion rate is in the range of 20 percent—that is, of every 100 calls made, only 80 are completed. That is still far from the international standard of 6 percent. TELEBRAS, which generates 87 percent of its own investment funds, plans to invest \$2.1 billion annually through 1991. "With efficiency on our part and a realistic rate policy, that goal will be met," says Dias, but he emphasizes that rates will have to be increased sixfold to bring them back to their 1975 levels. That was the year when the sector's problems began.

The story is the same in transportation and warehousing. The ports lack equipment, the roads need to be paved and repaired—only 8 percent of the national road network is asphalted, incidentally—the railroads suffer from chronic obsolescence, and urban transportation is on the verge of collapse. In this connection, the situation of the Federal Railway Network (REFESA) serves as a warning. According to that enterprise's planning director, Fernando Lira de Franca, REFESA was one of the government-owned enterprises least affected by the wave of cutbacks. This year, for example, it is spending \$185 million, compared to \$170 million last year. But Lira de Franca himself admits that the enterprise—whose freight carrying capacity totals 86 million metric tons per year—has no new projects underway, and what its "investments" boil down to is the maintenance and salvaging of railroad cars, locomotives, track, and so on. Nearly one-third of its rolling stock is waiting to be repaired.

Moving on from infrastructure to industry, we see that the lack of investment is already showing its effects there as well. According to the Economic Survey published by

the Getulio Vargas Foundation (FGV), the manufacturing industry was utilizing 76 percent of its capacity last July—exactly the same as in July 1981. At first glance, this would seem to indicate that Brazilian industry has a good margin of capacity available for a new cycle of growth. But a detailed analysis of the situation reveals some unevenness: whereas utilized capacity in the sectors producing capital goods and consumer goods is only 73 percent and 71 percent respectively, it jumps to 85 percent in the sector producing intermediate goods. Those are precisely the sectors which send a significant portion of their production abroad, thus ensuring good results in the trade balance.

Among the industries producing intermediate goods, the iron and steel industry is one of those most affected by the crisis, and that is precisely because a significant portion of it is owned by the state. The iron and steel industry needs to invest \$22.5 billion through the year 2000 to increase its industrial capacity from the current 27 million metric tons to 50 million metric tons annually. But it does not know where to get the money. SIDERBRAS [Brazilian Iron and Steel, Inc.], which is the holding company for government-owned steel firms and accounts for 65 percent of the country's steel production, has figures to prove the effects of the current price policy governing public-sector enterprises. According to its chairman, Moacelio Mendes, the enterprise has lost \$700 million in billings through October because of the price lag. And the discouraging expectation is that its billings will be \$1 billion short by the end of the year.

At the start of this year, the government approved an agreement for the financial reorganization of SIDERBRAS—whose debt now stands at \$17 billion. This was to be done by capitalizing its debt and restoring its prices to their previous levels. But the promise was not kept. And SIDERBRAS finds itself in an unparalleled situation: it is receiving money from the Treasury with which to capitalize its debt and further increasing its debt to the government itself. At any rate, Brazil currently exports 40 percent of its crude steel production. And that would seem to indicate, at least theoretically, that the iron and steel industry has room to maneuver in adapting to a possible reawakening of the domestic market. But where it lags behind is in its capacity for rolling and fabricating special steels—a shortage of which is predicted for the first half of the 1990's.

In addition to intermediate goods, capital goods and consumer goods are also facing a troubled future. Not because of the quantity produced, but because of the quality of production. It is known that Brazilian industry is in serious danger of falling behind technologically because of the lack of investment in that specific area. Eight basic documents on industrial policy have been prepared under this administration alone, and all of them have emphasized the development of technology, especially advanced technology, as a means of improving Brazil's presence on the international stage. None of them has been approved, and in this area—and not for

the first time—the country has been proceeding by fits and starts. Economist Wilson Suzigan of UNICAMP says: "The confusion over what is expected from industrial Brazil is continuing."

Suzigan recognizes the effort made by the Ministry of Science and Technology through the Funding Agency for Studies and Projects (FINEP) to establish research centers, train personnel, and so on. In 1987, for example, that agency is expected to spend 13 billion cruzados, or four times as much as last year and 2.5 times as much as in 1980. The explanation by Fabio Celso de Macedo Soares Guimaraes, chairman of FINEP, is that there had been repressed demand—and that it was satisfied when the money from the FND started increasing the agency's funds.

But all of that is insufficient. According to Suzigan, the situation with investments in technology is worse than it was at the end of the 1970's. While Brazilian firms have been abandoning or postponing plans for incorporating new technology, the process in other countries has been accelerating. That difference in pace, made worse by the data processing policy, which in many cases limits access to more modern and efficient technologies, is eventually going to be reflected in the foreign competitiveness of Brazilian industry—which is still relying on the advantage represented by its manpower costs, whereas the whole world knows that the decisive factor today is technology. "Brazil may once again become known as an exporter of basic commodities," predicts Laerte Setubal, deputy chairman of the board of directors of DURATEX. If his prediction comes true, it will mean imposing on the country an impossible effort to produce trade surpluses to offset the worldwide trend toward deteriorating commodity prices.

The competitiveness of Brazilian industry is already weak in several areas ranging from automobiles, where the survival of the assembly plants operating here is guaranteed to a large extent solely by the "closed door" policy, to domestic electric and electronic appliances and numerically controlled machine tools. There is, however, an even more disturbing prospect: that of falling behind in the traditional sectors themselves: textiles, clothing, footwear, and so on. The fact is that Brazil is not keeping up with the restructuring process in those industries that is taking place abroad. Nowadays, advanced countries—such as Great Britain—are resuming the production of traditional consumer goods in integrated and automated industrial complexes located close to the consumer centers. In fact, Brazil's textile industry is so out of date that putting it on an equal footing with competitors in places such as South Korea or even Pakistan would require investments of as much as \$4 billion over the next 15 years. "Brazilian firms have been investing in modernization only when they see a good possibility of exports," says Martim Affonso Costa dos Anjos, chairman and managing director of the Sao Paulo Sandal Company.

The situation with which the Brazilian economy is struggling does more than confirm the existence of dark clouds on the horizon—clouds which have grown even more threatening since the recent jolt to the international economy. It also makes necessary an urgent revision of the growth mechanisms that have been used over the past two decades. For no other reason than that it has exhausted its ability to push the economy forward, the state must step aside and make room for private enterprise, including that from abroad, which can make an important contribution to the new cycle of economic growth. The same opening-up process must prevail in the technological field, that being an even more crucial factor at a time when competition in world markets is tending to grow stiffer.

It is in that context that it makes sense to reduce state intervention in the economy, whether direct or regulatory, as well as the size of the state sector, and to let the market operate more freely—without forgetting that the counterpart to this is a reduction in incentives and subsidies and the elimination of favorable tax treatment and the political arrangements of all kinds which burden the Treasury. The task is a gigantic one, and it requires both time and political will. But it must be tackled as soon as possible.

The Caution of the Firms

At first glance, the results of EXAME's special survey of the private sector's inclination to invest seem to contradict the picture of stagnation in the Brazilian economy. Of the 46 firms consulted—of varying size, representing various sectors, and located in seven major state capitals—the great majority (72 percent) are carrying out some sort of investment. And another 17.2 percent have definite plans to do so. But a more careful evaluation of the figures gives grounds for misgivings concerning the country's future. Only 9 percent of the investments involve a significant amount of money (over \$200 million). Moreover, only 12 percent have a completion date more than 4 years in the future.

In other words, the businessmen have not folded their arms to wait for a clear spot on the horizon. But they are focusing primarily on short-term investments—to eliminate possible bottlenecks in production, to enter new market areas, and so on. Of the participants in the poll who are in the process of investing, 73 percent say they will complete their construction work within 2 years. And over half (54.6 percent) intend to invest amounts of \$30 million or less.

Another indication that businessmen are concerned only with the short term is the purpose of the projects underway. Most of them are aimed at expanding existing facilities or diversifying product lines (60.6 percent and 51.5 percent respectively of the responses received). Both of those alternatives are usually adopted in order to permit a rapid increase in billing. On the other hand, there is little effort to promote automation. Only 18.2

percent of the investments are being used for that purpose. The construction of new plants also takes a back seat, being mentioned in only one-third of the responses.

Those polled also reveal that some projects originally scheduled for this year have wound up being shelved because of the climate of uncertainty which still dominates the country. But some expansion plans have also been postponed because there is no guaranteed supply of raw materials—and that clearly reveals the abyss into which the country may fall if the symptoms of stagnation that are beginning to take shape persist for very long.

Poll Results

1. Is your firm carrying out any investments?

Yes: 72 percent

No: 28 percent

2. If not, are you planning any? (The two responses add up to the 28 percent answering "no" to the first question.)

Yes: 17.2 percent

No: 10.8 percent

3. What is the purpose of your investment? (The total does not add to 100 percent because some investments have more than one purpose.)

Construction of new plant: 33.3 percent

Expansion of existing facilities: 60.6 percent

Diversification of product line: 51.5 percent

Improved productivity: 45.4 percent

Automation: 18.2 percent

Technological improvement: 18.2 percent

4. What is the amount of your investment?

Under \$30 million: 54.6 percent

From \$30 million to \$50 million: 15.2 percent

From \$50 million to \$100 million: 15.2 percent

From \$100 million to \$200 million: 6 percent

From \$200 million to \$400 million: 3 percent

Over \$400 million: 6 percent

5. What is the completion time?

One year: 58 percent

Two years: 15 percent

Three years: 9 percent

Four years: 6 percent

Five years: 6 percent

Over 5 years: 6 percent

Source: PAG

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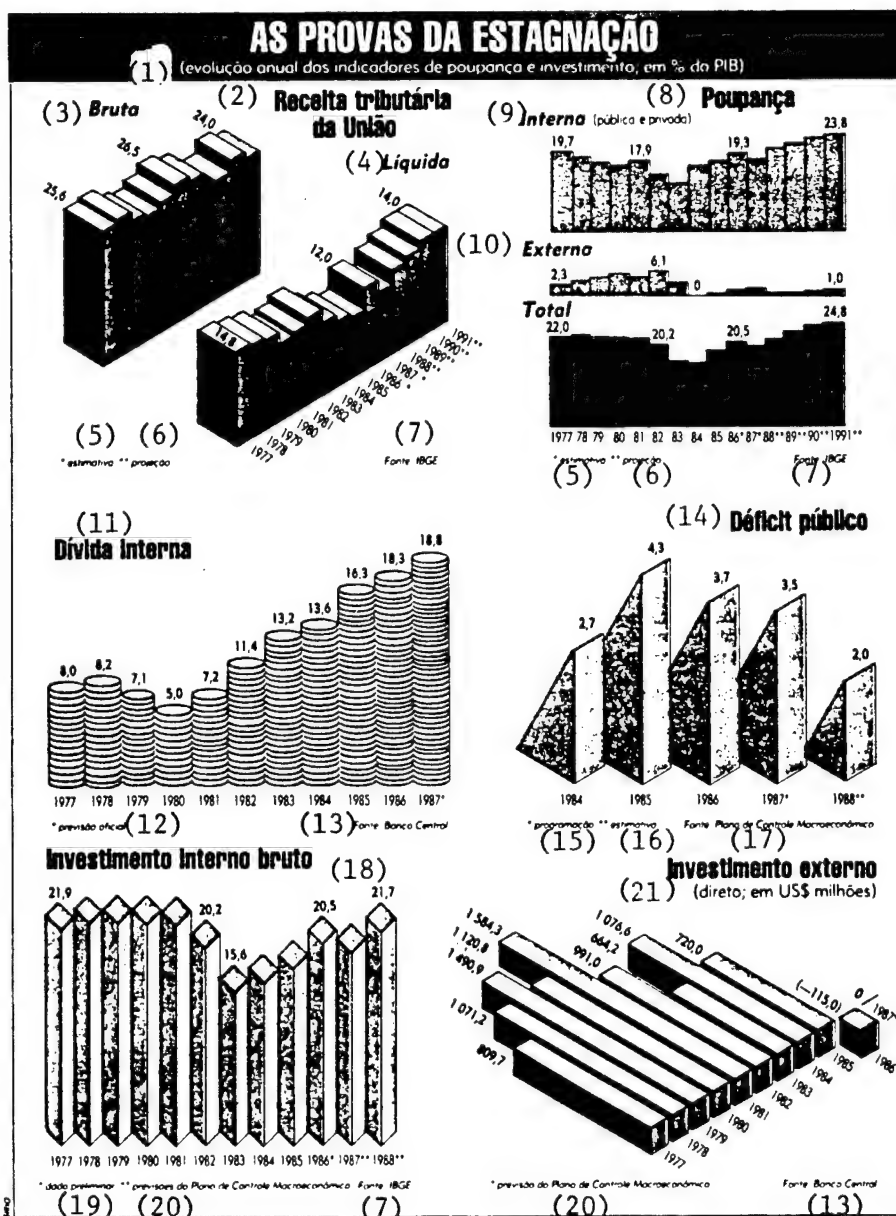


FIGURE 1 The Proofs of Stagnation

Key:

1. Annual change in savings and investment indicators as a percentage of GDP
2. Federal tax revenues
3. Gross
4. Net
5. Estimated
6. Projected
7. Source: IBGE [Brazilian Institute of Geography and Statistics]
8. Savings
9. Domestic (public and private)
10. Foreign
11. Domestic debt
12. Official forecast
13. Source: Central Bank
14. Public deficit
15. Scheduled
16. Estimated
17. Source: Macroeconomic Control Plan
18. Gross domestic investment
19. Preliminary data
20. Macroeconomic Control Plan forecasts
21. Foreign investment (direct, in millions of U.S. dollars)

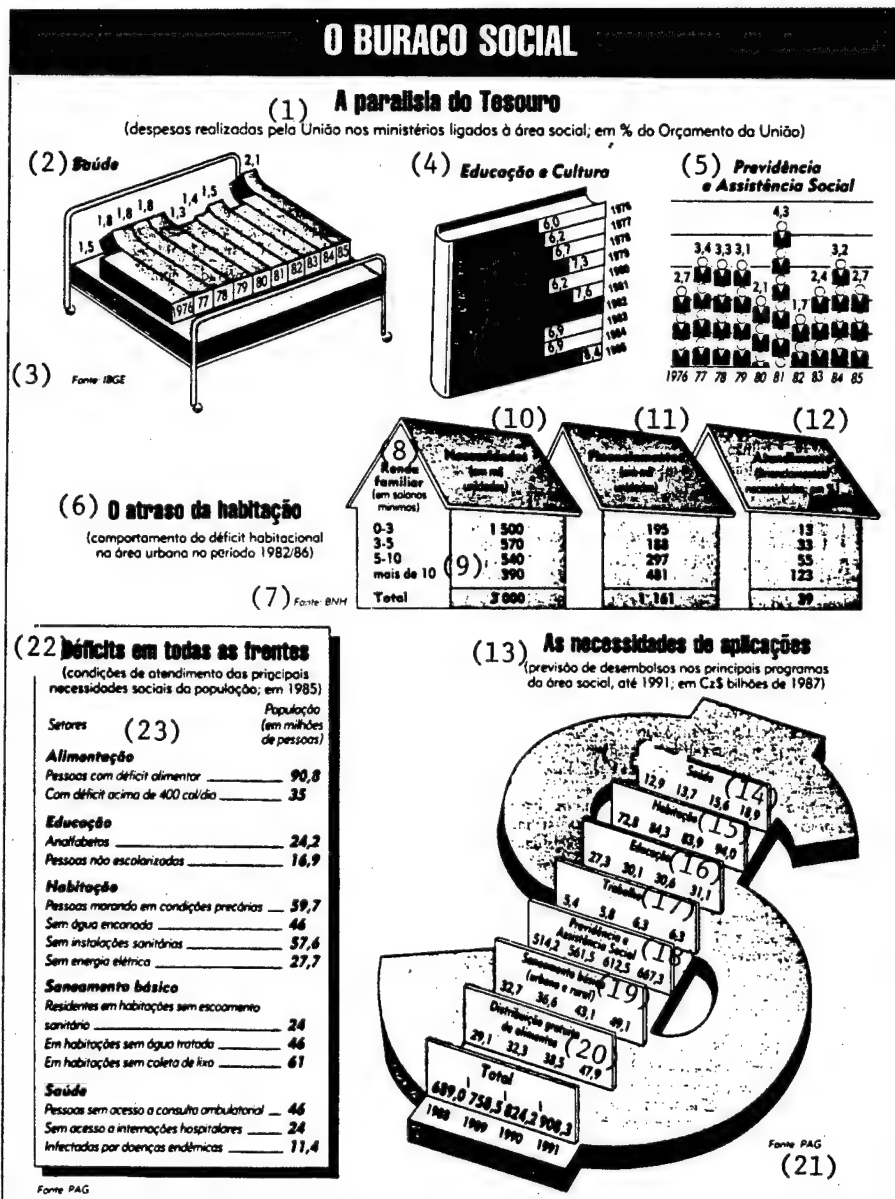


FIGURE 2 The Social Debt

Key: 1. Paralysis in the Treasury (Federal disbursements to ministries in the social area as a percentage of the Federal budget) 2. Health 3. Source: IBGE 4. Education and Culture 5. Welfare and Social Security 6. Backlog in housing (change in housing deficit in urban areas from 1982 to 1986) 7. Source: National Housing Bank 8. Family income (number of minimum wages) 9. Over 10 10. Need (in thousands of units) 11. Financing (in thousands of units) 12. Percentage of need/financing satisfied 13. Spending needs (expected disbursements to the main programs in the social area through 1991, in billions of 1987 cruzados) 14. Health 15. Housing 16. Education 17. Labor 18. Welfare and social security 19. Basic sanitation (urban and rural) 20. Free distribution of food 21. Source: PAG 22. Deficits on all fronts (degree to which the population's chief social needs were being met in 1985) 23. Sector, Population in Millions: Food: Persons with food deficit, Deficit of over 400 cal/daily; Education: Illiterates, Persons not in school; Housing: Persons living in precarious conditions, Without running water, Without sanitary facilities, Without electricity; Basic sanitation: Residents of: Dwellings without plumbing, Dwellings without treated water, Dwellings with no trash collection; Health: Persons without access to outpatient clinics, Persons without access to hospital care, Persons infected with endemic diseases

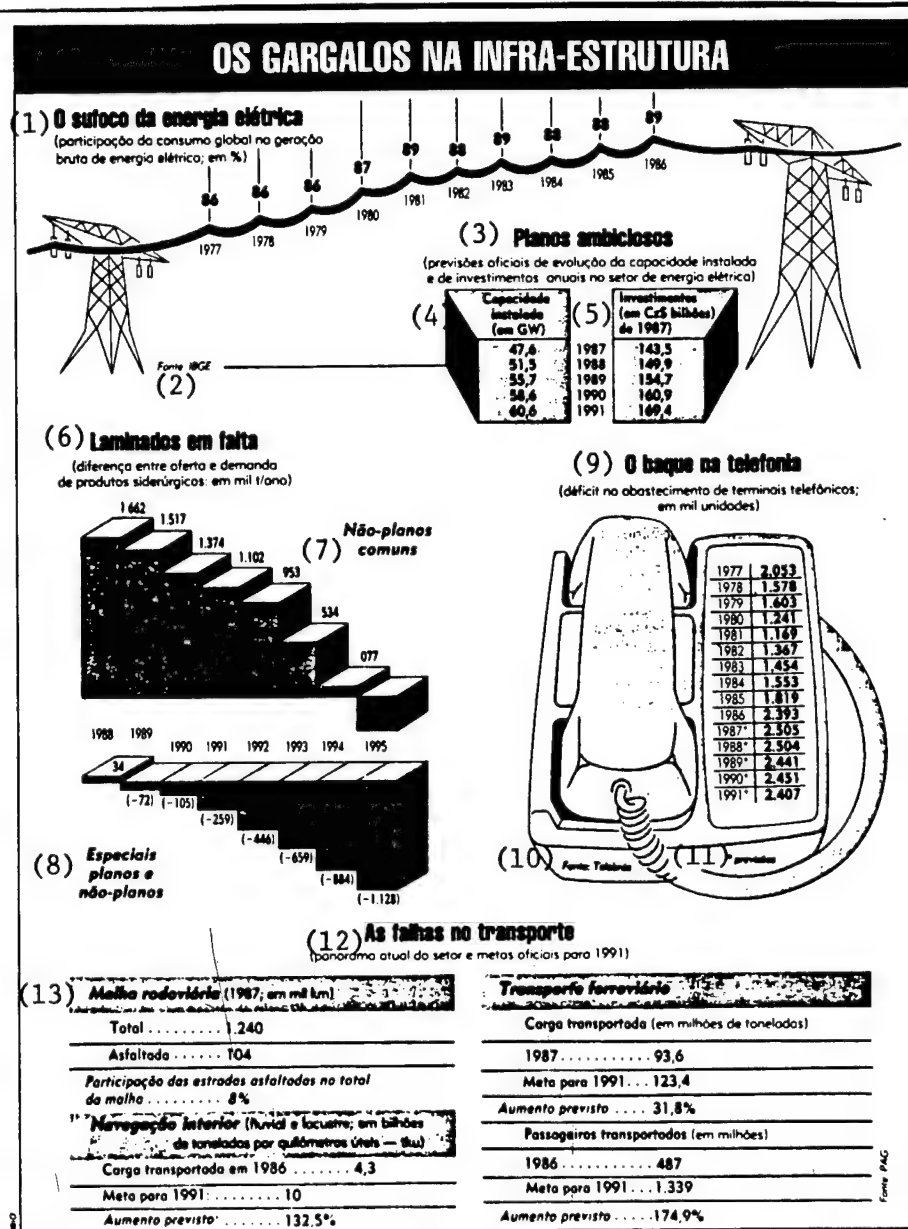


FIGURE 3 The Bottlenecks in the Infrastructure

11 11 87 EXAME 29

Key:

1. Strangulation of electric energy (share of overall consumption in the generation of electricity as a percentage)
2. Source: IBGE
3. Ambitious plans (official forecasts of progress in installed capacity and annual investment in the electricity sector)
4. Installed capacity (in GW)
5. Investments (in billions of 1987 cruzados)
6. Shortfall in rolled products (difference between supply of and demand for iron and steel products, in thousands of metric tons per year)
7. Ordinary nonflats
8. Special flat and nonflat steels
9. Breakdown in telephone service (shortfall in supply of telephone terminals, in thousands of units)
10. Source: TELEBRAS
11. Forecast
12. Gaps in transportation (current situation and official goals for 1991)
13. Road network: Total, Asphalted, Asphalted roads as a percentage of total network; Inland navigation (rivers and lakes, in billions of usable ton-kilometers (tku)): Cargo transported in 1986, Goal for 1991, Predicted increase; Rail transportation: Cargo transported in 1987 (metric tons), Goal for 1991, Predicted increase; Passengers transported in 1986, Goal for 1991, Predicted increase

Financial Secretary Presents Budget for 1988
32980087 Grand Cayman CAYMANIAN COMPASS
in English 16 Nov 87 pp 1, 2

[Article by Joy Baker]

[Text] A budget of CI\$84.2 million for 1988, a 13.5 cent increase on this year's figure was announced by Financial Secretary Mr. Thomas Jefferson during a two and a half hour budget address on Friday morning.

Capital spending of \$16 million—\$7.6 million from local financing and \$8.4 million from loans—is planned and new services requested make up \$2 million of the total. The estimated ordinary revenue for the year is \$71 million.

The only new revenue measures announced, and given immediate effect, were increases in the duty payable on alcohol, expected to raise \$260,000 in extra revenue, creating a completely new schedule itemising different types of wines and spirits and charging per litre rather than per gallon.

Beer and wine coolers are assessed for duty at 66 cents per litre up from the equivalent of 61 cents, spirits are up from the equivalent of \$4.88 per litre, and wines are up from the equivalent of \$1.11 per litre to between \$1.20 per litre and \$2.50 per litre for champagne.

Introducing the proposals, Mr. Jefferson outlined the recent turmoil in the world economy following the "Black Monday" crash last month when the Dow Jones Average fell by more than 500 points, and the subsequent fall of the US dollar to a 40 year low.

Against this background of slow growth and uncertainty, the economy of the Cayman Islands had never been more active, with much construction in progress, many tourists, much business activity and a "generally healthy economy responding to the demands of the residents, businessmen and tourists," he said.

However, he warned that "a new era" of heavy capital injections for water supply, sewerage, road construction and airport development was necessary, and it would be "imprudent" for Government to make any further substantial borrowings.

"The 1988 Budget has taken into account the uncertainty of the financial markets of the world, the increasing inflationary pressure, the substantial level of private sector construction and other works schedule," he said. "It is in no-one's interest for Government to undertake too many capital projects requiring more labour to be imported and overheating the economy."

Care had to be taken in examining all proposals and greater emphasis had to be given to revenue earning projects, he said, recommending that an Economic Section be established in his portfolio.

Capital projects outlined are mainly those already in construction, such as the Water and Sewerage scheme, the Gerrard Smith Airport Terminal, and the new Airport Fire Station on Grand Cayman. New projects slated include the first phase of the community college, start of the juvenile rehabilitation centre, an abattoir, a visitors building at the prison, and a purpose built, all weather computer centre to ensure safekeeping of government's records.

Additional funding has been sought from the Caribbean Development Bank to pay for the water authority reservoir and piped distribution system, which is costing more than double the \$2 million originally estimated.

Among new services and developments outlined were a number related to the problem of drugs: strengthening the police drugs squad, the formation of a national council to coordinate the activities of all agencies involved in combatting drug abuse and a marine patrol for the customs service were mentioned.

A comprehensive population wide Health Insurance Plan would be "one way" of reducing the large annual subsidy on health care costs, said Mr. Jefferson.

Reviewing the economy's performance during this year, Mr. Jefferson said that an estimated surplus for the end of this year of \$4.95 million was expected. The public debt at the end of the year would stand at \$17.1 million.

Government revenue had continued to improve with the increased economic activity evident this year, he said.

Mr. Jefferson said that the year was expected to end with some 515 banks from 56 different countries, including 42 of the world's top 50, represented in Cayman. Total foreign assets held by the banks were increasing too, estimated at more than US\$202 billion at the end of 1986.

US legislation which it had been feared might adversely affect the insurance industry had had little effect, and the sector was expected to contribute \$2 million to government revenue.

As of July this year, the currency board had CI\$10.1 million invested in US Treasury bonds, but prior to the sharp fall in the market the Board had adopted a "more conservative position", said Mr. Jefferson, reducing the portfolio to shorter term bonds. So far the net loss of sale of securities was \$160,000. A record surplus was transferred to government's general revenue in 1986, but this year, he said, because of the fall in the dollar, the contribution would not be as large.

Tourism air arrivals for 1987 were expected to increase by 26 per cent over the year before to 209,000. No major hotels would be completed before the end of 1988, so a

modest 10 per cent increase in air arrivals was forecast, although a 25 per cent increase was expected in cruise ship passengers because of bigger ships expected.

Stamp duty was expected to raise \$8 million by the end of this year, compared with \$5.9 million last year.

In the Sister Islands, said Mr. Jefferson, there had been "encouraging signs of economy recovery" with unemployment "drastically reduced".

Debate on the budget has been adjourned until Wednesday 18 November, although the House reconvenes this morning to consider other items of legislation.

/06662

Government Adviser, FARC Leaders Meet in La Uribe

Government Document Outlines Official Position
33480026x Bogota EL TIEMPO in Spanish
29 Oct 87 pp 1A, 8A

[Text] Yesterday the government renewed the direct dialogue with the FARC which has been suspended for 4 months, but it issued a categorical warning that the talks must lead to the demobilization and disarmament of these forces.

In a surprise move, Carlos Ossa Escobar, the presidential adviser, and his principal colleagues, went early yesterday to the La Uribe camp, where they presented the FARC commanders with an 11-page document in which the government reasserts and clarifies its policy of peace.

The talks were interrupted as of 17 June, when 27 individuals in the military and one civilian were massacred by the 14th and 15th Fronts in Caqueta, officially breaking the cease-fire.

In its document, the government stated that it does not accept the FARC thesis to the effect that their return to institutional life must be preceded by a series of reforms, both urban and rural.

Although the government believes that these are necessary and urgent, it asserted that this is a commitment to the vast majority of the people and cannot be negotiated with an armed minority.

It also expressed the view that although the Verification Commission has already carried out its duties, it is prepared to reappoint it for the exclusive purpose of supervising the return of the FARC to legal life.

An analysis of the document leads to the conclusion that the government is reiterating its willingness to engage in dialogue; that it is maintaining the standards established for the search for a political solution to the problem of violence; and that it hopes that the FARC will finally agree to establish a schedule for their demobilization and reincorporation.

The text of the document, which was signed by Carlos Ossa and which was addressed to Jacobo Arenas, Manuel Marulanda Velez, Alfonso Cano, Raul Reyes and Timoleon Jimenez, reads as follows:

"Bogota, D.E., 28 October 1987

Messrs Jacobo Arenas, Manuel Marulanda, Alfonso Cano, Raul Reyes, Timoleon Jimenez; members of the Secretariat of the FARC:

On repeated occasions, the government has insisted on the need to maintain the dialogue with the Secretariat of the FARC on the basis of terms which will make it

possible to maintain the possibility of a political solution. You know that a week before the events which occurred in Caqueta, plans for a visit were announced to you with a view to continuing to seek a political solution which would lead to the reincorporation of the FARC in civilian life.

The events in question, which the government energetically condemned, the rejection of this criminal action by the entire nation, and the attitude of the Secretariat, not only in justifying it, but in attributing responsibility for these events to the government, which is, of course, unacceptable, created an atmosphere of tension in which it would have been undesirable, not to say useless, to pursue the planned dialogue.

The government will not abandon dialogue while the minimal conditions making it possible exist, because it is persuaded that armed confrontation is not a desirable solution. However, it believes that this dialogue, in order to be fruitful and in order to lead in truth to the consolidation of peace in Colombia, must have specific terms of reference and certain clearly defined issues on the basis of which it can advance.

The government has repeatedly set forth these terms, not only where the policy of reconciliation is concerned, but specifically with regard to the dialogue with the FARC which constitutes one of the components of this policy. However, you seem to have misinterpreted—and, we would like to suppose, in good faith—the terms of the dialogue, for which reason we feel obliged to insist on them once again, so that no doubts can remain as to the intentions of the government with regard to the FARC, or with regard to any other group or groups which, jointly or separately, want to join in the dialogue.

First of all, in the document presented to you at the first meeting held by the officials of this present administration with the Secretariat, on 18 September 1986, it was made clear that "The government will always be ready to examine new prospects for channeling reconciliation and to consider proposals and alternatives for understanding. Within these guidelines, specific instructions have been issued and *to continue to maintain the terms of the agreements which were signed during the preceding 4-year term and which were still in effect as of 7 August 1986*" (p 23, italics ours).

Also, it was stated that "It will be necessary to specify a schedule for demobilization and the reincorporation of those rebels in arms who show a desire to return to the framework of institutionality and legality" (p 35). A great part of our effort in the dialogue with the Secretariat has been designed to arrange this schedule, because the government believes that reincorporation is the primary goal, and that which gives meaning to the La Uribe agreements, as their texts indicate, since if interpreted in any other way, they would lead to the development of a juridical and political anomaly—a cease-fire without a limit and without a purpose which could do

nothing but deteriorate gradually. Both this cease-fire and the Verification Commission, in our view, served as tools for advancing toward reincorporation, as is made clear by numeral six of the agreement signed in March of 1984, which says that "When in the view of the Verification Commission, armed clashes have ceased, a period of testing or waiting of 1 year will begin, so that the members of the organization known to date as the Revolutionary Armed Forces of Colombia (FARC-EP) can organize themselves politically, economically and socially on the basis of their free decision. Based on the constitution and our laws, the government will provide them with the pertinent guarantees and incentives." It is obvious that the economic, social and political organization referred to here cannot be interpreted as the *organization of an armed group*, but rather the organization of a civilian movement, which presupposes reincorporation. We must insist, then, that demobilization and reincorporation in civilian life, as the purposes of dialogue, are not a whim of this government, but rather that this intention derives unmistakably from the La Uribe agreements.

On the other hand, it is necessary to insist, if this has not yet been done sufficiently, that the government has at no time made demobilization a prerequisite to dialogue, as the FARC and other armed groups have made it seem it has, perhaps for the purpose of distorting the government's willingness for dialogue. The president himself, in discussing the subject, has done nothing but reiterate that dialogue should lead to demobilization and reincorporation, because this is precisely the issue which gives the dialogue a purpose. In his speech to the legislative chambers last 20 July, the president said that "The government continues to desire reconciliation with the rebels in arms who *observe the cease-fire, as a prior step to demobilization and disarmament*. Because of the criminal events which occurred recently in Caqueta, the government, in order to clarify this delicate process, has stated the principle according to which any *future action* along the path to reconciliation and incorporation of the rebels in arms in civilian life *will have as a requirement that it lead to peace*, that the process of demobilization and the resulting disarmament be carried out, which process will be accompanied by the provision of the guarantees necessary to safeguard and protect those who will adhere to normalcy." (pp 55-56, Oveja Negra Publications, italics ours).

Thus what you and other armed groups have interpreted as an "ultimatum" and a "declaration of total war and a definitive end to dialogue" was simply the reiteration of the stages for which the La Uribe agreements provided—a cease-fire as a prior step to demobilization and reincorporation (which naturally entail disarmament, and which, even etymologically, are different from surrendering weapons), and these stages as requirements for peace, because an enduring peace could hardly be achieved while armed organizations continue to exist.

You have been insisting on the need to appoint further verification commissions. You have even said that

because none existed, the cease-fire deteriorated. In response to this, the government has said clearly on repeated occasions, as you well know, that all violations of the law, whatever their origin may be, must be investigated by the legally established authorities, while the cease-fire, in the strict sense of the term, must be verified directly by the government. However, if we progress as the entire country hopes we will with specific arrangements for the demobilization of the FARC, the government will be prepared to contemplate commissions to verify the normal development of this demobilization within the time periods and in accordance with the guarantees on which we may agree.

Naturally, the government understands the difficulties inherent in maintaining a cease-fire, the conditions and even the purposes of which are full of ambiguities in the text of the agreements. It would be no exaggeration to note that the cease-fire is, for this government, a temporary formula which only has meaning if it allows an advance toward reincorporation, and which is in effect, as numeral three of the agreements indicates, "solely with regard to the groups and individuals who accept and respect these bases (that is, rejection of kidnapping, extortion and terrorism, in accordance with numeral two) and who do not violate criminal law." Obviously, it cannot be expected that those who do violate the law can seek protection under the agreements; rather, they should submit themselves to the proceedings of the courts. Similarly, it cannot be expected that the public forces will stand by idly while their installations are being attacked and their personnel ambushed. In no way has the government, on its own initiative, declared the cease-fire invalid in any part of our national territory. In connection with the perfidious attack on Army personnel in Caqueta, the president stated the position of the government with dazzling clarity. "It goes without saying," he said, "that in any part of our national territory where the public forces are attacked, the government will assume that the cease-fire is not in effect in that zone, due to the senseless decision of the aggressors, as has occurred in the case of Caqueta. There the public forces are acting on precise instructions to proceed energetically to reestablish order and to capture and turn over to the courts those who have failed to respect and heed the agreements pertaining to this cease-fire and have violated criminal law". The government adheres to the cease-fire order with regard to the FARC-EP whenever its fronts abstain from the practice of kidnapping, extortion, terrorism and intimidation for political purposes (for which read armed proselytizing), and whenever the public forces are not attacked. However, it is prepared to continue to deal firmly with those who violate the law. To act when incidents like these occur is a constitutional mandate which the government can in no way neglect. The government also understands the difficulties which have developed in recent years in providing guarantees for the Patriotic Union and those individuals who, having been reincorporated in civilian life, have wanted to engage in political action in legitimate fashion. The government has done everything within its power to

provide the UP with the necessary guarantees, and with the collaboration of the citizens, it is ready to reveal the dark forces which are working against our institutional system and coexistence. The government profoundly regrets the assassinations of which militants in the Patriotic Union have been the victims, and it is certain that this is the main obstacle to the achievement of the reincorporation of the rebels in arms in civilian life. In our opinion, and this is by way of explanation and not justification, a large part of the wave of assassinations had to do initially with a partial and individual demobilization paralleled by the existence of an armed group which prevented this process from becoming clear.

In the view of the government, the subject of demobilization should be dealt with in terms of the demobilization of the organization, and not on a partial and individual basis. Naturally, an important part of the dialogue will have to be focused on the definition of the economic, social and political guarantees and the mechanisms for ensuring them. The government is prepared to consider all of the formulas with the greatest of breadth and flexibility and to make demobilization conditional on the real existence of these guarantees, provided that these formulas do not alter the institutional system nor distort the responsibilities of the government.

You know, on the other hand, that one obstacle to progress in our talks is the claim by the Secretariat that the agreements call for the effecting of a series of reforms set forth in numeral eight of these agreements as a condition for demobilization. In this connection, that section reads as follows: "The Peace Commission gives assurance that the government is fully willing to..." and then follows a list of the reforms. It is clear that the agreements do not make demobilization conditional upon the reforms, nor could they do so, because these powers are attributed to the legislative branch and not the executive, much less its representatives in the dialogue, who in addition, when it comes to the members of the Peace Commission who signed the agreements, participated as volunteers.

The government believes in the need to modernize institutions and its policies and to promote agrarian and urban reform, but it cannot make the effecting of these changes conditional upon dealings with any armed group, because these are commitments assumed to the country and not to an armed minority. In this connection, we reiterate that the reforms were not nor could they be set forth as prerequisites to the demobilization, much less when it is the FARC-EP which claim the right to interfere with the content of the reforms in such a way that only when they are satisfactory to this armed group will it be possible to discuss demobilization. We emphasize, then, for the purpose of greater clarity, that the government does not refuse to promote discussion of the reforms, but it asserts that demobilization cannot be

made conditional on whether the content thereof is satisfactory to the armed group, because this would simply mean the collapse of democracy.

We believe it necessary to make it clear, moreover, that the argument you often invoke, to the effect that there can only be peace when democracy has been consolidated—a question you seem to have claimed the exclusive right to judge—is at least debatable in the eyes of the government. On the contrary, we believe that it will be possible to advance with the democratic process once violence has been eliminated as a method for engaging in politics. While the armed movements exist, while extortion and blackmail are being practiced, while there is terrorism, there will never cease to be those who provoke a response involving similar procedures, reflected in what you have come to call the "filthy war," leading to a radicalization of thinking which reduces the space for the search of solutions to an ever greater extent. It seems to us that democracy as a process is the affair of all Colombians, and its consolidation must be the result of a desire which commits us all, and not the result of an imposition on the majority by the few, because if this were the case, it would be a contradiction in terms.

We believe that the search for a peaceful solution to our internal conflicts must be preceded by an attitude on the part of the truly democratic sectors which promotes the desire for dialogue and the search for concrete results. We cannot understand how, while the government continues to have a desire for dialogue, the Patriotic Union demands it, but at the same time sets up insurmountable obstacles to carrying it forward, as if it were a question of urging dialogue solely in order to demonstrate that it is impossible.

The government has defined certain terms for proceeding with the talks with the FARC-EP and with any other group or groups which want to participate in the dialogue. These terms can be summarized as adherence to the spirit of the La Uribe agreements, oriented toward the search for a political solution in which the cease-fire will be observed with those groups which do not violate criminal law in any way, with this cease-fire being interpreted as a temporary situation making it possible to progress with the dialogue. It must have as its purpose the demobilization and reincorporation of the groups of rebels in arms in civilian life. This demobilization cannot be made conditional upon the effecting of reforms, which the government believes necessary and urgent but which it is not prepared to submit to the judgment of the armed groups, because these reforms represent a government commitment to the entire nation.

We hope that these explanations and clarifications will enable you to abandon any doubts you may have about the position of the government with regard to dialogue, and will contribute to maintaining the possibility of a political solution to the benefit of the country.

Cordially,

Carlos Ossa Escobar, adviser to the president."

The Events in La Uribe

Since it appeared in the news on Monday, 26 March 1984, La Uribe has become the geopolitical focus of many decisions and much speculation, up to the present time.

It was on that date that six members of the Peace Commission entered the territory of the Revolutionary Armed Forces of Colombia. The pioneers along the route from Bogota to La Uribe were John Agudelo Rios, Rafael Rivas Posada, Cesar Gomez Estrada, Alberto Rojas Puyo, Samuel Hoyos Arango and Margarita Vidal. The six, all members of the Peace Commission which had been appointed by the government of Belisario Betancur, set out on a trip which later became an obsession for some, a necessity for many and a possibility of "getting in" for others.

The first meeting in La Uribe was free neither of risk nor of mystery. It was inevitable. For the first time, direct contact had been achieved with the central command of the oldest and most widespread guerrilla group in the country. For the first time, someone from the "civilized world" could see with his own eyes that Tirofijo, the mythical peasant who became a legendary guerrilla fighter, was a man of flesh and blood. And also for the first time, the possibility of peace, a slippery word which President Betancur had used in the fiery speech at Bolivar Square when he took office, could be seen at close hand.

The first meeting in La Uribe caught the geographers unawares. Locating this lost point between the Meta Mountains and Huila was a task which forced the pilots of the first helicopter to land there to consult a number of maps. For those who believe in coincidence, the fact that the site of the encounter was near the Duda (Doubt) River was the harbinger of all the doubts which were to develop about the process of peace which seemed to be taking shape.

From that meeting, following some talks which were initially nervous, and which were "irrigated" by whiskey and brandy, there emerged a cease-fire compromise to which the top commanders of the FARC, Tirofijo, Jacobo Arenas, Jaime Guaraca, Alfonso Cano and Raul Reyes, committed themselves. The pictures of the meeting, with the negotiating group posing for the photographer, and the stories the participants had to tell, seemed at that time like a hallucination. But the agreement was signed and went into effect, with all the hullabaloo of a full advertising campaign, at midnight on 26 May of this year.

The document established a truce for 1 year, to which the 27 fronts the FARC admitted to have operating in the country were committed. An end to kidnapping and extortion, the cease-fire, and a desire to keep the peace—

these were the essential aspects of this document, which was hailed with satisfaction by political leaders, with enthusiasm by the government, and with skepticism by some sectors of the public and the press.

As of that time, the commissions began to operate and the trips to La Uribe to multiply. The Verification Commission was the most active agency in the process which followed the first meeting.

The reports of violations of the truce put this commission to work, and as a consequence of this, the journalists. Newsmen, invited in some cases by the FARC command, while "inviting themselves" on other occasions, undertook to report to the public what was happening in this distant but now known refuge—known to the point that throughout these 3 years and 8 months, the military have continuously overflowed the zone.

Now, following the violation of the agreements, declarations of war and bloody crimes, La Uribe, that location in the municipality of Mesetas, in Meta, is back in the news again. Few thought that, given the current circumstances, the dialogue would be resumed. But yesterday, surprisingly, La Uribe became the fashion again, inspiring hope in many and destroying the last illusions for others.

FARC Agrees To Reopen Dialogue

33480026x Bogota *EL TIEMPO* in Spanish
30 Oct 87 pp 1A-2A

[Text] The FARC announced yesterday that the dialogue with the government is on again, and they agreed that it should lead to their demobilization and disarmament with a view to their reincorporation in civilian life.

However, they warned that prior to this, an atmosphere favorable to providing them with political guarantees, as well as the disappearance of the groups of hired assassins, must be established.

This was made public yesterday by Carlos Ossa Escobar, the presidential adviser, on his return to Bogota after 2 days of talks with the leaders of this guerrilla group in the mountain location of La Uribe, in Meta.

He expressed the belief that the government is committed to halting the wave of political crime which has plagued the country, and has made the full effort necessary to achieve that end.

To do this, he explained, it is necessary to strengthen the activity of the courts still further, to provide the judges with greater resources, and to rely on the definite cooperation of the citizenry.

If the government can succeed in these things, as we all trust will happen, he said, that atmosphere which will allow the reincorporation of the FARC in civilian life will automatically develop.

In providing details about his talks with Manuel Marulanda Velez and Jacobo Arenas, the presidential adviser said that initially, they were surprised by the document in which the government reasserted its policy of peace and established the standards for dialogue, and he said that they even regarded it as "rather harsh."

But as the meeting developed, they acknowledged that the position adopted by the government offered solutions and possibilities for progress along the path toward a definitive peace agreement.

Yesterday, Ossa delivered a preliminary report to President Barco, and he will have a lengthy conference with him today in which he will report in detail on the results of his dealings.

This adviser described the reestablishment of dialogue as the most positive result of his talks, although he said that a long path still lies ahead of us.

Ossa Escobar said in statements to CARACOL that the FARC expressed the view that the cease-fire had been deteriorating visibly, a development they ascribed to the "army pressure exerted on their fronts."

The government explained to them that there can be no cease-fire without any limit, or one which does not lead to any objective, which will not affect the truce.

Last night the Casa de Narino revealed the contents of a tape recording made by Jacobo Arenas, announcing the renewal of dialogue, a development he described as "a great step taken by the government and one which the FARC has consistently demanded."

At the same time, he recalled what was said by former president Alfonso Lopez Pumarejo to the effect that "politics in Colombia cannot be pursued in any other way than by talking."

Civilized dialogue, he added, is the only way of achieving future pacification agreements. He called it basic and decisive for the future of the FARC and said he was certain that the people of Colombia will see it this way.

The surprising reestablishment of dialogue in La Uribe was welcomed with satisfaction and hope by the political parties, the church and the other social institutions in the country.

The presidential adviser was accompanied to the Meta Mountains by Rafael Pardo Rueda, secretary for popular integration in the Office of the Presidency of the Republic, and advisers Ricardo Santamaria and Jesus Bejarano.

The report submitted by Ossa was a positive one, asserting that there are in fact new opportunities which will make it possible to continue the dialogue with a view to achieving concrete results.

He said in conclusion that it appeared to him that the step taken by President Barco in renewing talks with the FARC has been welcomed in very positive fashion by Colombian society.

The talks had been suspended since 17 June, when the 14th and 15th Fronts ambushed a military convoy in Caqueta, causing the death of 27 soldiers and one civilian.

5157

Flights to Switzerland

FL221838 Havana Tele-Rebelde Network
in Spanish 1200 GMT 22 Dec 87

[Text] The inaugural flight between Havana and Basel began when a Cubana de Aviacion IL-62 landed for the first time at Basel (Norhouse) Airport in Switzerland. The airplane was met by cantonal authorities and Swiss civilian aviation officials, as well as by a group of journalists, friends of Cuba, and the general public.

0246

Prostitution, Drug Use Described in Youth Magazine

32480033a Havana SOMOS JOVENES in Spanish
Sep 87 pp 68-81

[Article by Luis Manuel]

[Text] A baker gets up very early to bake our bread each day. Each loaf of bread bears the mark of his fatigue. A girl gets up at noon, and at dusk she goes out to look for a tourist to sell herself to, in exchange for bills bearing the faces of unknown patriots. In argot, that is known as "earning one's bread." The two kinds of bread taste very different.

Sandra met her father for the first time at age 11. At that time, the man who until then had been a stranger became an outsider. Although she was the oldest of five children, Sandra had spent half her life with a single aunt who instilled in Sandra her philosophy of self-defense: "Even if it's just a boy, if he touches you, grab a stick and break it over his head. If they're going to respect you, first you have to show them you're not a push-over. Look at your mother: 15 years with that man, always waiting for him (whether 3 months or 3 years at a time), and washing his underwear when he comes home. That's why I live alone. No one uses me. Learn that much." For 11 years, Sandra lived for short periods with her mother, who never let her go out and play, much less be with boys, because "a woman's place is in the home, and besides, you have to help me." From age 7, she washed the diapers of the smaller children; and at the age of 9 she learned to cook their dinner when she got home from school, because her mother began to work and she could not take care of them. When she suspected her husband was due to come home, she knew that her daughter's place in the marital bed would be occupied, and that there was no alternative but to send her to her aunt's house, in a small town west of the city. No one explained it to Sandra; they didn't have to. At age 11, Sandra understood too much, and had changed schools nine times.

She got to know her father for two reasons: He was admonished in the Party nucleus for neglecting his children, and he returned home more or less for good.

She was never allowed to go to the beach, to the movies in the afternoon, to her girlfriends' houses, or to schools in the countryside. Instead, she was expected to look after the younger children and her father whenever her mother was ill or working. Between ages 11 and 15, Sandra was in charge of all the household chores. She finished the 9th grade, and received a few beatings: for coming home late, for panhandling, for going to a party without permission; for cutting school to go read books, which she often did not understand, at the municipal library; or for seeing the same film up to three times in a row at the neighborhood theater, because she was able to transport herself to the world of books or the world of movies, where she did not have to fight with her family, and people were more understanding; and for shoplifting. The second time she stole, her parents did not find out about it. The policeman who arrested her drove around the city several times with her, looking for her house, until they drove up to a secondary school. Sandra told him she was a student there, and the directress talked them into leaving Sandra in her care on condition that she not steal again. When the policeman left, the directress took Sandra to a nearby park and talked with her for 2 hours. Although she was not a student at that school and had never seen this woman before—or perhaps because of that—she told her everything that had been pent up inside. Perhaps it was also for that reason that she broke down the barriers of self-defense that her aunt had instilled in her, and cried for the first time in memory.

When Sandra was 15, her father caught her under the staircase making love (apparently) with her second boyfriend. He kicked her out of the house, even though she had been so nervous and frightened that she was still a virgin. The second sister was already old enough to take over the household.

Sandra began to work at an agricultural plan where they gave her room, board, and pay. She met a 35-year-old man who got her pregnant when she was barely 16.

Her father found out about it when she had already given blood for her own curettage, falsifying the name on the blood-donor card. He went looking for the man, and waited for her outside the hospital. From there they went straight to the notary public's office. Sandra was then married to the man who is still, officially, her husband, although she has never seen him again.

She returned to her aunt's house and worked in a factory for a while. She met Braulio, around 40, divorced, the assistant manager of a small company. He had served a prison term for assaulting his father. During the year she spent with him, Sandra changed jobs five or six times, until he got her a job as a cashier at his workplace. Between the two, they forged signatures on the payroll to earn piece rate payments, which netted them an additional 400 to 500 pesos a month. Braulio was a regular at the Venecia Bar, and through him Sandra learned to drink, smoke (black tobacco and marijuana, and found

out about pornography. Several times he got her to engage in homosexual relations with girlfriends he would bring home after his adventures at the Venecia. During that year, Braulio paid a neighbor 100 pesos not to file charges against him for being a peeping Tom. He talked a lot to Sandra about life, and took an interest in her problems. She began to sleep with other men, and she got pregnant. Although Braulio was sterile, he insisted that she turn the child over to him. He was willing to raise it as if it were his own. Sandra gathered her things and went to live with the man who had gotten her pregnant. Then she had her second abortion. A week or two later, the man kicked her out because he was going to get married in a month and he needed to fix up the house.

Then came a time she would prefer to forget: She would eat at a girlfriend's house sometimes, other times she would borrow money for a restaurant meal. She would bathe wherever and whenever she could. And she slept in mortuaries or long-distance buses, preferably the 7, the 20, or the 64. Five or six times she spent the night in trysting places with men who picked her up. One of them sneaked out without paying while she slept. In the morning, since she had no money, she agreed to sleep with the innkeeper so that he wouldn't call the police.

It was on one of those nights, at the Infanta mortuary, when she met Tete, who invited Sandra to her house, lent her clothing, and suggested that she stay there for as long as she liked. For a week or two, Tete sounded her out cautiously, and on Sandra's 19th birthday she took her out to a restaurant and gave her a dress. When they returned, they drank late into the night and went to bed together for the first time.

Sandra began to hang out at the park at G and 23rd. She met all Tete's friends, and took care of the house while Tete was at work. Sometimes she got tired of being lonely, and would go out with one of the girlfriends she had met recently. Tete never forgave her for those outings, and their fights became more and more acrimonious as the days went by. They were arrested several times for disturbing the peace, and after one particularly violent fight Sandra was jailed for battery. But Tete dropped the charges before she could be prosecuted, and went to pick her up at the police station with her left arm in a cast.

It was at that time that Sandra met Adrian, a "jinetero" (illegal money changer) who pimped for two whores at the port. He showed her the ropes there, taught her how to make pick-ups in cabarets, how to exchange dollars, key phrases for attracting Johns in various languages, how to buy at National Institute of Tourism (INTUR) stores in "easy free shopping," alibis for avoiding warning notices, how to operate on the black market, and ways of bribing hotel security guards.

When she had learned enough, she told Adrian very clearly that she would be independent, and he agreed to serve as a permanent exchange contact.

Although she began to contribute money for household expenses, she did not end her relationship with Tete. The situation there became more difficult, because Tete could not tolerate her nighttime outings, much less the fact that she slept with men.

Every night she would go out to "earn her bread" (engage in prostitution, in the argot) between the Amphitheater and Avenida de Paula. Recently disembarked sailors were led to Tomasa's house, where rooms were rented for \$10 to \$15 a night, at the customer's expense. Quick transactions were taken care of in some trysting place near the railroad terminal. Net profit: \$10 to \$20 a night (between 50 and 100 pesos, depending on the exchange rate).

She met Zaida Telegrama at the Parque de los Mosquitos. Zaida had been around for more than 10 years, and had a venereal disease and two children by a Greek. She told Sandra that she had started out looking for a foreigner to marry her and take her out of the country. The Greek had promised that, but so far nothing. She was fed up with all this, she should not be such a chump, she had youth and class, and she should buy good clothing and go "earn her bread" at her ease in first-class hotels. She said she was tired, very tired.

When Zaida committed suicide at the age of 28, Sandra left the port and made reservations for a week in Cienfuegos with her savings. There, alone, far from Tete, far from the city, she reconsidered Zaida's advice.

Upon her return, Adrian lent her the \$200 she needed, and lined her up with an official at a certain embassy. The official made the purchases at a store for foreigners: three pairs of shoes, dresses, two pairs of blue jeans, blouses, pullovers, Pierre Balmain pants, accessories, and cosmetics.

She had her last fight with Tete and moved in with Caridad La China, who worked in the Coppelia neighborhood with her husband. He would seek out the Johns, primarily Spaniards and Mexicans, and would then pick her up. Sometimes they worked together, when the customers were couples, or there were groups with women, passive homosexuals, or pornographers. During those times, "there was no shortage of bread," because in the new groups of tourists there was always someone who would come to see them or call, having been referred by former customers.

They proposed that she go in with them, but Sandra always preferred to work on her own.

She would get up at around 4:00, and at 6:00, well-dressed, perfumed, and bejeweled, she would head toward the Riviera, the Nacional, the Habana Libre, or some other hotel where international tourists stayed. Sometimes a desk clerk who was aware of her activities (and was paid for the service) would provide her with the telephone numbers of the rooms where single foreigners,

potential customers, were staying. Moments later, they would receive a phone call from her, supposedly in error, but by the way, would he happen to be the interesting-looking Spaniard with the gray sideburns whom she had seen in the lobby? Of course, she would be in the lobby, and . . . On other occasions, she would sit in the lobby or go into the bar. She would read a magazine and sip a drink in apparent boredom as she carefully studied the prospective clients. The most approachable ones were Latin Americans, especially Mexicans (who preferred blondes), Spaniards, and other Western Europeans (who had a taste for blacks), Americans (in short supply), and Africans. The latter she feared because of the threat of disease. Experience (and Adrian's lessons) taught her to prefer middle-aged men, because young men often had no money, and are usually stingy with women. Those over 60 are almost always accompanied, or have a habit of blaming on the woman their own sexual failures. They are difficult to win over, vulnerable, irritable, and skeptical of the woman's motives. Because the *quid pro quo* of the transaction is that it not appear to be what it is. The offer had to be very discreet, and the demand had to be pitiful, an offhand remark about an unpaid debt, or how sad it is to have a red dress without shoes to go with it, or some other more or less plaintive story. First, after selecting the man, she would ask for a cigaret or strike up a conversation somehow: Cuba, tourist attractions, the most interesting places in the city. If the man invited her to have dinner or a drink, then a more intimate phase would begin, one of supply and demand. If the payment was in kind, first they would go to the store, make the purchase, and then Sandra would go to his room. At first, \$10 deposited in the elevator man's pocket would be sufficient. One time when she was already in the room, a policeman knocked on the door and asked her to come down. She did so, clutching the tourist's arm, and in the front desk area the elevator man pointed her out: "Yes, she's the one." Then the foreigner himself told the policeman: "Ask him about the \$10 he has in his pocket." The elevator man had not bothered to hide the money, and he was arrested.

If the payment was in cash, they would agree on the price, which ranged between \$40 and \$100. No less, no more. Two men refused to go as high as \$40. She skipped those nights, because if she had accepted she would have set a bad precedent. She also ran into some Johns who were more savvy, who would leave the payment until the end and then threaten to call the police.

She had several run-ins with hotel security guards. Twice the purchase was taken away from her; on other occasions, a small gift did the trick, and once she even slept with the guard.

Usually, when a place was burned, she would go somewhere else to "earn her bread," so that one surveillance team would not see her too often. On three occasions she was arrested, and on three other occasions she got out of it thanks to the tourist, who would begin protesting in the name of "human rights."

An Italian even got into the patrol car with her and managed to obtain her release at the police station. She successfully avoided warning notices except for one time, because it was very difficult to accuse her of prostitution without a complaint, and that was virtually impossible.

The three arrests were all made by the same officer. One time, at the Nacional Hotel, he called her over and said: "Why are you involved in this? You're young, pretty, intelligent. You have everything going for you. My daughter is your age, and she looks like you. Why?" "I'm not involved in anything." "Tell that to someone else." "Look, you just have it in for me." "No, I have it in for what you're doing." "But I don't . . ." "Look, I know that Candela, Tormenta, La China, and all the others, want to leave the country and they're looking for someone to take them. But you . . . you too?" "Not on your life." "Hell, don't you realize what image you're giving of your own country? That reminds me of an expression, the duck doesn't shit where he eats. And you're shitting where you eat." "Look, Officer, I . . ." "Don't say any more. Just get out of this business, because if I see you again, no matter where it is, even if you're just having an ice cream cone at Coppelia, I'm going to arrest you and you'll have to listen to me. You're going to get out of this eventually, either because you're converted or you're tired of it."

He arrested her three times. They had to let her go the next day. Lack of evidence.

The talk about image and the duck reminded her of something that had happened with a Frenchman who had begun to badmouth Cuba, socialism, and Cubans. When she said no, that society, that there was no poverty, no beggars, that medicine and education . . . he replied: "Look who's talking. A whore and a communist. You don't sell yourself for pesos or for rubles; you sell yourself for dollars. Don't you realize that?" She said nothing, but she never forgot those words.

When for some reason she could not go up to the customer's room, she would take him in her taxi—by that time she had her own taxi driver who would charge her 20 to 30 pesos a day—to "11 y 24," "2 y 31," or some other trysting place where there were good rooms set up for that purpose and with no waiting in line, for 20 pesos tax-free, plus expenses paid by the tourist. Sometimes, especially after the AIDS outbreak, and when the John was suspect, she would make the purchase and then "give him the business." To do this, the taxi driver would have to be in on the deal, and afterwards he would be paid in kind: a "pitusa," some panties, etc. "Giving the business" consisted of taking the tourist somewhere in the city, stopping ("Here we are, this is it"), and after he got out and was giving her a hand, taking off in second gear, leaving him in the street. The taxi driver, in turn, could give her the business or threaten her. Other times, the taxi driver himself would sell drinks or marijuana to

the foreigners, or provide other services, always payable in foreign currency. There were some who supplemented their taxi income with illicit money changing transactions.

The most dangerous thing was the dollars. You can get up to 8 years for illegal possession of foreign currency. Her worst moment came one day as she was leaving the Riviera. Two policemen tried to arrest and search her. She swallowed the \$50 bill. Then she let them search her, and there was nothing worth finding. That was why she would exchange her dollars right in the hotel or nearby. When she could not find any of the "contacts" controlled by Adrian, she would change her money with the first "jinetero" she saw whom she knew. Sometimes she would prefer an exchange transaction at a lower rate if it was quicker and safer, rather than walking around in the street with dollars. When she had no alternative, she would hide the money in her rectum or vagina. The "contact" would usually turn the money over to someone else in the bathroom, and the other one would make the transaction outside. Sometimes the dollars changed hands four or five times before getting to the person with the false passport that enabled him to buy currency, the foreign contact who charged 15 to 20 percent. The former system was more profitable, but riskier.

Sandra continued to work on her own, though her independence was only relative: 20 to 30 pesos a day to the taxi driver, plus the goods for "giving the business," 20 to 40 pesos for entering cabarets or bars posted "for couples only" or "for guests only," 80 to 130 pesetas a month for the room rented in the house of people who in turn served as middlemen on the black market, and who for a little something would allow her to bring customers to the house; food and clothing expenses, because whether or not she was invited out by the tourists, by this time she was accustomed to eating in restaurants; and as time went by, her liquor bill climbed higher.

In three of the houses where she lived, she was robbed of everything she owned. It was not possible to file charges. The third time, she paid two men 40 pesos to beat up the culprit; they nearly killed him. Although she never became dependent on it as she did on alcohol, she bought marijuana occasionally. Sometimes she would resell it to the tourists, although it was almost always for her own consumption. She tried hashish for the first time with some French people she met at the Floridita. She was drinking at the bar when a girl approached her and invited her to her table. Her husband and brother-in-law wanted her to accompany them to the Tropicana that evening. Afterwards, she slept with the brother-in-law at the Riviera, and the following day she left with them to spend a couple of weeks at Varadero. At night they would strip naked, grease their entire bodies, and share the bed and the hashish, all four bodies inextricably intertwined.

The best thing was to be "kept" by someone: A tourist (man, woman, couple, or group) would be satisfied with her and set her up in a hotel or at the Marina Hemingway, where controls were more lax, and she would

become a permanent companion for the length of their stay. Thus, she spent 2 months at the Riviera, a month at the Capri, 20 days at the Marina Hemingway, and a month and a half at the home of a couple of Western European diplomats who would also occasionally invite Javier Luis, a pre-university student who was as pretty as a girl.

During that time she met Bobby, an active professional homosexual; Maria Luisa, whose mother had tried to get out of the country at all costs and was now looking for a likely prospect for her daughter; Dulce, who made her living catering to the lust for tropical adventure that some older, monied tourists indulged in. Sandra and Dulce were hired by an Italian photographer to pose for a collection of color photos, for \$300 each. She also met Mercedes, a nice, intelligent university student who claimed to be her friend for a long time, shared clothes with her, sold some of her "pitusas," and served as her telephone liaison with Mejias, a Spanish businessman who set Sandra up at a hotel sometime later, and with whom she even thinks she fell in love. The friendship ended because Mercedes asked Mejias, on behalf of Sandra, who was at Varadero at the time, for a video recorder and stereo system. After that, Mercedes refused to come to the phone, until one day her mother, when Sandra insisted, told her in no uncertain terms not to call again, because her daughter wanted nothing to do with whores.

For quite some time, Sandra believed that her reason for doing everything was to save up enough to buy a home, the home she had never had. But between her excessive expenses and the outright robberies or underhanded stealing, she could not save much. Little by little she realized that the most important thing for her was her taste for luxury, her desire for instant gratification, nice clothes, and everything that would stroke her ego. By then she was no longer able to control her drinking. She caused several scandals in various hotels, where she was kicked out on a number of occasions. Sometimes she did not even charge her customers, especially if she liked the person and she was high or drunk.

One time she got a real scare. A tourist of uncertain nationality gave her some very strong marijuana to try (perhaps it was not even marijuana) in Room 607 at a hotel. She went crazy, and almost threw herself naked off the balcony. The man stopped her, calmed her down, and began to ask her questions while he recorded everything on tape. Although she had no secret information about anything, she got dressed as best she could and ran, still partly under the influence of the drug, to tell the police. She never heard anything more about the affair. Another time she got an even bigger fright: She found crow's feet around her eyes, and she cried endlessly until she fell asleep. Two days earlier, La China had set fire to herself in her room at the Vibora. She was 30 years old.

She no longer went out to "earn her bread." Now she was a cabaret girl. It was enough to be invited to eat, drink, and go to a hotel room. She sold a few of the things she

had left, and then Mejias saved her by setting her up at the Habana Libre. He talked to her a lot, and convinced her to leave the street. "I will support you, don't worry." And when he left, he paid 4 months' rent for a room at the Cerro. He also left her money and some equipment she could sell. She got a job at a workshop, but she could hardly ever make it to work early in the morning. She began to go out with a machine operator on the second shift, and she told her life story to a coworker in her trade union so that she would help her. The coworker told her they would do what they could, and she warned the machine operator what kind of operator Sandra was. But the worst thing was that after stalling around, they finally went to bed together, but Sandra felt nothing. She blamed him for not being man enough to get through to her. He did everything he could, and he even began to suffer symptoms of impotence. Then Sandra quit her job and began to go from one man to the next, practically a different one every day. But she felt nothing. For a month or two, she returned to "earning bread," but money no longer mattered.

When she went to an institution to seek help, she was referred to a psychologist, who scheduled three sessions a week with her. Following his recommendations, Sandra left the city, where she met people she knew wherever she went. Now she runs a bottling machine at a factory in the food industry, earning 120 pesos a month. She lives with a man who knows nothing of her past, who does not listen to her, who desires her but does not love her. Nor does she love him.

Some weekends she returns to the city, spends Saturday night with old or new friends she runs into at some hotel, and on Sunday forces herself to return to her 8-hour job and the man 20 years her senior, who does not drink, does not dance, and supports her. She doesn't feel anything with him, either.

She thinks she has left prostitution for good, but she's not sure.

Sandra is 22 years old now.

She looks 35.

Postscript

This story is not the fruit of the cruel, feverish imagination of a journalist. I have merely tried to narrate as objectively as possible what the protagonist(s) told me—her name is not Sandra, of course, because I prefer not to reveal whether Sandra is one or more individuals, or who she is. What matters is not that, but rather the fact that everything I have said is true, that the events occurred here in this city, and that they continue to occur, perhaps with a few variations.

Some people end up worse off. Others think they are better off when they leave the country in the company of their brand-new husbands, who sometimes turn out to be

less "new" than they thought. To cite just two examples: Two Cuban girls are now working at brothels in Athens and Nairobi, respectively. The second one was sold for a good price by a tribal chief whose son had acquired her in Cuba.

Others have not reached the end of their stories yet. Anyone can see them in the lobbies of the main hotels in port cities, or those frequented by international tourists. Some of them are very beautiful, like a match flame in the darkness, and they go out just as quickly. They may be intelligent, although that does not matter to the tourist. Usually they are girls who regard beauty as their greatest gift, and they use it the way an assailant uses his gun. At the very least, they consider themselves very "smart" because they earn 5,000 to 6,000 pesos a month. This is 20 times more than an engineer earns, 15 times the salary of a top-flight surgeon or a minister. It looks like a lucrative job, but if anyone believes that, I recommend that he read this story from the beginning.

I might add that many girls end up in jail for being in a "dangerous state," trafficking or illegal possession of foreign currency, drugs, etc. And then there are those who are gone for good after suicides, overdoses, etc. And etc. means, for those who feel that this story is too graphic, too morbid, that there are worse things, things we prefer not to mention.

How many prostitutes are there in Cuba? No one knows exactly.

They may number in the hundreds, perhaps a thousand (a real ballpark figure). So why discuss an issue that involves 0.01 percent of our population?

In the first place, because the tragedy of 1,000 individuals is not just a statistic. These are the 1,000 individual tragedies of each of these 1,000 persons. And it is no accident that the Revolution is humanist in principle and in deed. The tragedy of each human being must be the tragedy of all human beings. Perhaps one of those 1,000 individuals is reading this article right now and laughing at the journalist who calls her life tragic, when she thinks it is a "ball." Maybe in another 10 years we'll agree with each other.

"Never ask for whom the bell tolls/ It tolls for thee," to quote John Donne roughly (excuse me for reciting it from memory).

In addition, these girls are being observed by thousands of other girls whose lifetime behavior is still in the formative stages. And from the outside, all they see are the Pierre Cardin dresses, the Julian Charles jeans that are sold in our stores for foreigners; they don't see the more sordid aspects of the trade.

In the second place, because the prostitutes, the "jinetes," the "black market executives" are usually the first people the tourist sees. Sometimes the only ones.

They display a distorted image of our country, but when the tourist packs up his Cuban souvenirs, he also packs up that reality, which is "his reality," and then he sells it in his country as if it were "our reality," sometimes illustrated with photos of people like Sandra and Dulce.

In the third place, because it's not just 0.01 percent of our population that is involved in the business. Revolving around prostitution, or running parallel to it, is the world of illegal money changing, the black market, the falsification of passports, the corruption of hotel guards, pornography, drug trafficking, etc. And worse. Once the culture broth is prepared, any bacteria will flourish in it. And then there are the services that are rendered in connection with prostitution: taxis, hotels, "prepared" trysting places, cabarets, etc. If we counted just those who have ever bought anything on the black market in Cuba, we would come out with considerably more than 0.01 percent. It is no coincidence that there is a sudden explosion of certain pullovers that are in vogue in our capital. If you investigate, you will find that they are being sold at bargain prices in the stores for foreigners.

In the fourth place, as of April 1987, three people had died of AIDS in Cuba, and all three had caught the disease through sexual contact with foreigners. Of the 14 blood donors found to be carrying the HIV virus, 95 percent had been exposed that way. The 91 remaining carriers acquired the virus outside the country, or in contacts with foreigners. In addition, among the 20,000 foreigners investigated, the rate was 0.55 percent, compared to 0.016 percent among Cubans. Thus, prostitution poses a severe health risk to all Cubans, not just those who practice it.

What are the causes of this phenomenon?

It would be pretentious (and stupid) of me to try to explain all the conditions that can lead a girl living in a country with no poverty to a life of prostitution. There are two Manichean ways to answer that question:

1. This girl is no good, and would have become a prostitute under any circumstances, in any country.
2. Socio-familial conditions made such an outcome inevitable.

There is no such simple answer.

Several conclusions can be drawn from the story in question: family neglect, instability of the home, promiscuity associated with our serious housing problems, educational problems aggravated by the constant change in schools, the lack of good role models within Sandra's sphere of action, neglect by social and mass organizations (which are sometimes more concerned about holding meetings on time, fulfilling their work plans, or collecting dues than about asking for trouble by interfering with the social conduct of their members). And the

rest: selfishness, superficiality, laziness, unscrupulousness, and other human traits which Marti called "the worst." That was why he said:

"We must trust in the best of man, and distrust the worst in him. We must give the best a chance so that it can show through and outshine the worst. If not, the worst will prevail."

So is our society giving the worst a chance to prevail? No, quite the contrary. The proof lies in the other 99.99 percent.

But the goal is 0.0000 percent. How? There is no recipe.

The final solution will be achieved only when all possible and probable causes are eliminated, when human beings are different.

This article does not pretend (it couldn't if it tried) to find a solution to the problem; it is aimed at calling attention to the problem.

Is there anything we can do?

A lot, I think. That is why I am taking this opportunity to pose a few questions.

We await the answers of those to whom the questions are addressed:

1. Who, in the Party nucleus to which Sandra's father belonged, on the block committee, at the workplace, ever asked for an accounting of his daughter's behavior?
2. What did the social, political, and mass organizations do to prevent or at least subvert this situation?
3. What impact did the student organizations have as modulators of Sandra's behavior?
4. What impact could her teachers have had on her? Because although she did change schools frequently, there were nonetheless teachers in each one.
5. Couldn't our Penal Code categorize prostitution as a crime rather than a "dangerous state," that is, a precursor to crime, and thus impose greater penalties for such behavior?
6. Wouldn't it help eradicate prostitution if we stepped up our vigilance and cracked down on those who, in one way or another (taxi drivers, doormen, innkeepers, etc.) encourage and facilitate it? That way, such complicity would entail tremendous risks.
7. If someone has been given a home, schooling, and/or a decent job by Cuba, and takes advantage of his prerogatives as a foreigner to engage in smuggling foreign

currency and black market activities, what obligations does the state have toward someone who repays our hospitality in such a manner?

8. Do foreign residents have absolute impunity to make exorbitant purchases in the stores intended for their use, for the obvious purpose of reselling goods on the black market?

9. Given that some clever tourists import excessive quantities of blue jeans and other clothes that are highly coveted on the black market, couldn't duties be levied on non-temporary imports, to make this practice too costly?

10. Wouldn't it be feasible to study some measures that have been implemented in other socialist countries to make it more attractive for tourists to exchange their currency at state institutions?

11. What ordinary tourist would come to Cuba to buy a stereo system, a video recorder, a color TV, a refrigerator, an air conditioner—items that have been sold for years in the tourist stores?

12. Would it be impossible to prohibit tourists from bringing foreign exchange into the country in cash, so that they would have to use credit cards or personal, non-transferrable checks issued by the National Bank? Any such funds not used by them could be re-exchanged upon their departure.

In addition to these questions, I have a comment: The stores for foreigners were designed to offer the visitor better service, and also to bring foreign currency to the country. While the ends are laudable, often the means are not. In the name of our ideological integrity, especially that of young people who are in their formative years, the appropriate institutions should take steps to ensure that the stores for foreigners do not become showcases of capitalism.

One Final, Broad Question

I don't want to close without asking one last question: Is it just these 1,000 girls who practice prostitution? Isn't someone who married for material reasons, not love, a prostitute? What about the subordinate who sleeps with the boss to move up the ladder? Or to get a desirable job? Or to pass his or her most difficult class? What about the person who hears nothing, sees nothing, says nothing (like the monkeys in the fable), even though he knows about problems around him, so that he or she can move up a notch on the "top 40 chart" of the immediate superiors? Is that person a prostitute?

There are many ways to prostitute oneself. One need not be a woman, or hang around the Habana Libre Hotel.

08926

Blaize Denies Being Lukewarm on OECS Unification

32980088a Port-of-Spain TRINIDAD GUARDIAN
in English 17 Nov 87 p 2

[Text] St George's, CANA—Prime Minister Herbert Blaize has denied suggestions that Grenada is dragging its feet on moves to set up an Eastern Caribbean federation.

Blaize made the denial in a statement sent to a one-day symposium held by the island's Chamber of Industry and Commerce at the weekend to discuss the proposed union of the Organisation of Eastern Caribbean States.

Referendum

Recently, Prime Minister John Compton of St Lucia expressed disappointment with the manner in which two of the seven members of the OECS were proceeding with the plan.

Some observers identified Grenada as one of the two. Antigua and Barbuda had already indicated that it was not interested in the OECS unitary state.

Blaize announced that the Grenada Government would on Friday introduce in Parliament legislation to set up the mechanism to take care of plans to have a referendum, scheduled to be held in each state on the issue.

He said the delay in proceeding further on the proposed union had to do with clarifications which the Government sought on several issues as a result of queries coming from the Grenada Parliamentary Association.

"The OECS secretariat was invited to provide the answers and although some answers have already been received, others are awaited. These would be distributed on receipt and the programme would continue and these would involve the Grenadian public," he remarked.

/06662

NDC Senate Appointee Resigns, Also Quits Party

Griffith's Action

32980090a Port-of-Spain DAILY EXPRESS
in English 11 Nov 87 p 15

[Text] St Georges, Tues (CANA)—In a surprise move yesterday, Opposition Senator Terrence Griffith resigned from the Grenada Parliament, triggering speculation that all is not well inside the newly-launched National Democratic Congress (NDC).

Griffith, at 26, was the youngest Grenadian parliamentarian.

His resignation came less than a month after he was elected as the NDC's youth officer in his absence, despite informing party colleagues that he did not wish to hold any position. "My decision is personal and came about independently. Prior to the convention of my party, I pointed out to my colleagues and the press that I was not standing for elections for personal reasons and thus I felt obliged to apply the same measure to my Senate position," Griffith said in his resignation letter to Governor-General Sir Paul Scoon.

He was appointed to the Upper House last February by then Opposition Leader Phinsley St Louis who since resigned the post to make way for former Education Minister George Brizan, leader of the NDC.

In an earlier letter sent to Brizan prior to the resignation, Griffith told the Opposition Leader that he would also be declining the post of NDC youth officer.

Griffith told CANA today he was still a member of the NDC and he had no quarrel with other party colleagues.

"In the process of building the nation, sacrifices must be made. However, these sacrifices must not incapacitate the individual," he said.

Criticism of Party

32980090a Port-of-Spain TRINIDAD GUARDIAN
in English 14 Nov 87 p 5

[Text] St Georges, CANA—Former senator Terrence Griffith who sat as a representative of the opposition National Democratic Congress (NDC) in the Grenada upper house, also plans to quit the newly-formed party following his resignation from parliament earlier this week.

Speaking to CANA, Griffith, 26, said he had virtually made up his mind to quit the NDC and should do so by this weekend. Personal reasons were cited behind his resignation from the Senate.

Griffith said his decision to also resign from the party came about as a result of a press release which the NDC issued on Thursday welcoming his resignation from the Senate. The release said the party felt Griffith should resign because he ran his affairs contrary to what was expected of a Senator. It did not elaborate.

"The NDC never communicated with me. I never wrote to them because they did not appoint me as a senator", he said.

Griffith was appointed to the Senate in February this year by former Opposition Leader Phinsley St Louis who gave way to NDC leader George Brizan about two months ago as the NDC was about to be launched.

Unbecoming Behaviour

Griffith said the NDC would have to first give details about his behaviour so that he can make a response. But he stressed:

"Let it also be said that if ever it becomes necessary, I would certainly not spare the opportunity to point out clandestine and unbecoming behaviour of certain NDC members."

He added: "The Leader of the Opposition knows because I have pointed out to him on several occasions the clandestine moves of a group within the party."

/06662

NDC Names Judith Palmer as New Senate Selector

32980090b Bridgetown CANA in English
2004 GMT 20 Nov 87

[Text] St. Georges, Nov 20—The opposition National Democratic Congress (NDC) has introduced its new senator to the media here as an individual who had served the island's teaching profession faithfully.

Senator Judith Palmer was already sworn in by Governor-General Sir Paul Scoon to take the place of Terrence Griffith, expelled from the NDC for what is described as behaviour contrary to that expected of a senator.

Sen. Palmer, a retired school teacher, has promised a low profile in her debut in the Senate next week, but made it clear she will raise issues in the chamber and try to find solutions to problems.

Sen. Palmer, like most of the NDC, is a former member of the ruling New National Party (NNP). She said she resigned last year because she did not like what was happening in the party, including its methods in voting.

NDC leader George Brizan, himself a former NNP government minister, praised Sen. Palmer as one who had served the island faithfully in the teaching profession.

/06662

Developments in, Comment on Political Party Actions

Impact of NDC

32980089 Kingston THE DAILY GLEANER in English
23 Oct 87 p 19

[Text] St Georges, Oct 22, CANA—The formal inauguration of a new political party last weekend officially completed a major realignment in the Grenadian political landscape, that is bound to influence the outcome of the next general election.

The National Democratic Congress (NDC) is a mixture of politicians of assorted ideologies, dominated for the most part by disaffected members of the ruling New National Party (NNP), chief among them George Brizan and Dr. Francis Alexis.

Brizan and Alexis yielded to pressure from the United States and its Eastern Caribbean allies in the summer of 1984, to abandon their own individual political organisations, in favour of a three-party alliance with the rightwing Grenada National Party (GNP), whose aged and frail leader, Herbert Blaize, was brought out of partial retirement to lead the alliance in the election of December 1984.

Rumours of discord in the NNP were never far beneath the surface, and not even a near clean-sweep of the polls in the 1984 vote, could hold the fragile coalition together.

It finally fell apart last April when Brizan and Alexis resigned from both government and party after shunting aside their own rivalry for the number two slot in the NNP, having had their challenge beaten back by the GNP elements in the coalition.

American Marines

Brizan, an economist by profession who worked in the Education Ministry during the four-year leftwing rule of the New Jewel Movement from 1979, was elected political leader of the NDC, and has at his sides two deputies—both former associates in the NNP.

Alexis, who like Brizan scrapped his own Grenada Democratic Movement to help form the NNP but who, unlike Brizan, returned to Grenada only on the heels of invading American marines in 1983, is one of the two deputies.

The other is Phinsley St. Louis, also a former NNP Parliamentarian, and a one-time deputy speaker of the House of Representatives.

A fourth former NNP Member of Parliament, Kenny Lalsingh, is NDC Chairman. But, in contrast to others at the top of the new party, he was dismissed as Junior Education Minister after allegations of wrongdoing. The charges, centering on the use of state cement, were never substantiated and Lalsingh was never taken to court.

Party Formed

Predictably, he resigned from the NNP, formed his own political party—The Democratic Labour Congress in August last year—but failed to attract any largescale following, either from among NNP members of parliament, or from the country in general.

The important position of General Secretary, like all the other key posts in the NDC, is also filled by a one-time NNP Member of Parliament, Senator Oliver Joseph. He joined Alexis and Brizan in quitting the ruling party last April.

One of Sen. Joseph's two assistants, Tillman Thomas is also a former NNP member.

But several other lower-ranking positions in the NDC's hierarchy are filled by politicians once associated with other parties, thereby reflecting the varied make-up of the NDC.

Youth Officer, for example, is opposition Senator Terrence Griffith, a former member of late Premier Maurice Bishop's New Jewel Movement (NJM), who was murdered in a military upheaval in October 1983, led by his deputy, Bernard Coard.

The bloody upheaval led to the U.S. invasion of the island, ouster of leftist rule, and emergence of the NNP.

Relations Officer

Albert Forsythe, a former minister in Sir Eric Gairy's right wing United Labour Party government, which was itself deposed in a 1979 NJM-led coup d'etat, was named Labour Relations Officer.

Forsythe was a GULP candidate in the 1984 elections, and was beaten by Brizan who now leads the party of which he is a member, thus becoming something of a symbol of the kind of realignment that has been taking place in Grenadian politics in recent months.

The weekend convention at which the formal launching of the NDC took place, also saw the party's constitution being approved, as well as its principles and policy.

The party has promised to emphasise expansion at the grassroots, stating that it will be built around village party groups.

Where such groups do not now exist, the party's key personnel will work towards their creation.

"A true party grows rather than is formed by a few people," said a spokesman for the NDC, whose major target is the next general election, constitutionally due by early 1990.

NDC's First Convention

32980089 St Georges THE GRENADIAN TRIBUNE
in English 6-20 Nov 87 pp 6-7

[Text] "A democratic forum of enthusiastic delegates, watchful observers and diligent able politicians" is the way people described the First Annual Convention of the National Democratic Congress (NDC) at St. Andrews Anglican School on Sunday October 18.

More than 1,100 party loyalists from throughout Carriacou and Grenada flocked the conference hall to witness the proceedings.

It all began with devotion, a usual feature of NDC meetings, followed by welcome remarks by Hon. Phinsley St. Louis. He said many more people would have liked to attend the convention but to safeguard their job they had to stay home.

Background

The convention culminated six months of intensive work by hundreds of Patriotic Grenadians. Two workshops were held to discuss the party's draft constitution, policies and programmes which were approved on convention day. The party's National Executive was also elected by delegates.

Elections

Leader of the Opposition, Hon. George Brizan, as expected, was unopposed as Political Leader of the NDC. Only one observer was against Dr. Francis Alexis and Phinsley St. Louis being deputy political leaders.

Jerome Joseph, a former Senator was unanimously elected as General Secretary. Parliamentarian, Hon. Tillman Thomas, and Jerome Thomas are Joseph's deputies.

In a close contest for the post of Party Chairman, Hon. Kenny Lalsingh defeated Lawyer Michael Andrews by six votes. Andrews is Deputy Chairman.

With 101 votes Michael Regis became the Public Relations Officer. He defeated the closest contender Michael Pitt, in what was a three-way fight, by four votes.

Lawyer Maureen Emmanuel was unopposed as the Party's Treasurer. Cecelia Aberdeen is the Recording Secretary. Judith Palmer is her assistant.

Senator Albert Forsythe secured the post of Labour Relations Officer. The Youth Officer is Senator Terrence Griffith. He defeated Zepherin Grant by 16 votes. Zorina Fredericks was elected Women's Liaison Officer.

Resolutions Passed

A number of resolutions were passed at the convention citing local regional and international issues of interest. They included the failure of the government's fiscal policy, the political situation in Haiti and Tibet; and the South African situation.

There Is Hope

In his stimulating address, Mr. Brizan analyzed the present political situation here, and outlined the way forward for the NDC.

He said NDC is the only party capable of taking Grenada out of its present economic crisis. NDC is the party for all Grenadians, he reiterated.

The political leader described Grenada History during the past 36 years as a relay race. He said: "In a relay race there are four legs.

Between 1951 and 1979 the Grenada United Labour Party has run its leg and finished. Between 1979 and 1983 the People's Revolutionary Government ran its leg and disappeared and the Grenada National Party/the New National Party is now grinding to a halt. There is only one more leg to run to take the country home—the home leg—and when you reach home it is peace and tranquility and we'll move ahead as one Grenada. That leg has to be run by the National Democratic Congress."

Family Party

He added, people of all political persuasion are now flocking the NDC because it is truly a family party. "What we say in the NDC is service first and position afterwards", he continued

The birth of the NDC has come about as a result of the inspiration and direction of the people throughout the country.

Plans

The charismatic leader outlined the principal task of the NDC as:

- (1) To build and foster a truly democratic society based on the principle of equal opportunity, respect for the rule of law, protection of citizens constitutional rights, and freedom, satisfaction of people's basic needs, creation of opportunities for consultation and participation in Grenada's development.
- (2) The party must continue its public meetings.
- (3) NDC must continue to consolidate at the village level.
- (4) To promote and defend the NDC and all Grenadians.
- (5) To make copies of the Party's principles, policies and constitution and make them available to party members.
- (6) We must ensure that the party organ—the GRENADIAN TRIBUNE, reaches members fortnightly.
- (7) National consultation workshop will be continued.
- (8) Designate special hours when the public can meet Opposition Parliamentarians.
- (9) Continue visits to workplace and institutions.

(10) To build strong NDC support groups among Grenadians abroad.

(11) To ensure that NDC as a family party grow from strength to strength. NDC historic convention was packed with familiar faces which had attended the two conventions held by the New National Party.

NDC Resolutions

32980089 St Georges THE GRENADIAN TRIBUNE
in English 6-20 Nov 87 pp 10, 9

[Apparent texts of resolutions adopted at the first annual convention of the National Democratic Congress (NDC) held at St. Andrews Anglican School on 18 October 1987; headings as published]

[Text]

Condemning Killing in Haiti

Whereas the planned transformation of the neighbouring Caribbean state of Haiti from Dictatorship to Democracy is one of the most welcome developments to take place in the Caribbean this century;

And whereas this transformation requires the holding of free and fair elections in which the people of Haiti may choose their own government generally and their own President as Head of State in particular;

And whereas two Presidential candidates in those upcoming elections have been violently killed in a trend that could constitute a potential hindrance to the democratising of Haitian public life;

Now therefore be it hereby solemnly resolved that we the National Democratic Congress (NDC) of Grenada, Carriacou and Petit Martinique meeting in our First Annual Convention at the St. Andrew's Anglican Secondary School (SAASS) at Telescope in the parish of St. Andrew this 18th day of October 1987 profoundly regret the escalation of violence generally in the Presidential campaign in Haiti and the violent killing of two of the Presidential candidates in particular;

And be it hereby further solemnly resolved that we the NDC express deepest sympathies to the families, friends and supporters of the said two slain Presidential candidates comforted by the knowledge that in dying for the cause of democracy they would have died not in vain but as noble martyrs;

And be it hereby further solemnly resolved that we the NDC call upon regional Caribbean countries and the wider international community to exert their due, proper and legitimate influence consistent with the sovereignty of Haiti to ward off further violence in the Presidential election campaign in Haiti and to keep at bay other threats to the cultivating and nurturing of Democracy in Haiti.

NDC Documents Adopted

Whereas the NDC is committed to the social economic, political and cultural development of the people of Grenada, Carriacou and Petit Martinique.

And whereas the NDC is also committed to building and strengthening of Democratic Institution for the preservation of Peace, Order and good Government for the people of Grenada, Carriacou and Petit Martinique.

And whereas the policies summarised here today at the 1st Convention of the NDC were discussed among us at two workshops held on the 23rd of August and the 20th of September at Ford St. Patrick's and at the St. David's R.C. School respectively and were regarded as sound policies.

Be it therefore resolved that the policies of the NDC set out in a document titled "The Principles and Policies of the NDC" be adopted by the NDC at its first Convention.

Whereas the National Co-ordinating Committee of our National Democratic Congress (NDC) of Grenada, Carriacou and Petit Martinique has performed with excellent success in steering our said NDC towards this our First Annual Convention of our said NDC this 18th day of October 1987 at the St. Andrew's Anglican Secondary School (SAASS) at Telescope in the parish of St. Andrew.

And whereas with the adoption of a Constitution by our said NDC as our Constitution and with the election of our National Executive Council (NEC) at and by our said Constitution our said National Co-ordinating Committee automatically goes out of existence;

And whereas not all those who had served on our said National Co-ordinating Committee have been elected on our said NEC, there being more members of the National Co-ordinating Committee than there are places on our NEC;

And whereas it is in the best interests of our said NDC that there be as smooth as possible a transition from our said National Co-ordinating Committee to our said NEC;

Now be it hereby further solemnly resolved by us the said NDC meeting in our said First Convention as aforesaid that all those who had served on our said National Co-ordinating Committee and who are not otherwise on our said NEC shall by virtue of having serving on our said National Co-ordinating Committee be deemed Extraordinary Members of our said NEC;

And be it hereby further solemnly resolved that such extraordinary membership as herein and hereby created shall endure up until the Second Annual Convention of our NDC in 1988 carrying full rights to participate in

and vote at meetings of our NEC and entailing such other rights associated with NEC membership such as membership of our General Council.

Dialogue—Not Force

Whereas Apartheid practised in South Africa as state-enforced race-hatred is the most abominable form of race-hate, in that it actually compels members of one race to despise and hate members of another race with its genocidal overtones;

And whereas this state-enforced race-hatred that is Apartheid in South Africa crass affront to the fundamental essence of humanity that each human being is created equal to the other by the Divine Creator; [as published]

And whereas Apartheid in South Africa constitutes a direct threat to world peace in that it drives the oppressed races to rebellion;

And be it hereby further solemnly resolved that we the National Democratic Congress (NDC) of Grenada, Carriacou and Petit Martinique assembled in our first Annual Convention at the St. Andrew's Anglican Secondary School (SAASS) at Telescope in the parish of St. Andrew this 18th day of October 1987 completely, unqualifiedly and unreservedly condemn, abjure and reject Apartheid as a provocative insult to human dignity, an unpardonable sin against the infallible teaching of the Equality of man, and a dangerously seething threat to World Peace;

And be it hereby further solemnly resolved that we the NDC call upon all nations of the world committed to the pursuit of human justice and individual dignity to do what lies in their power and what is appropriate to bring about the expeditious and final dismantling of Apartheid.

Commending Walter Rodney Inquest

Whereas the sudden and violent death of Guyanese-born internationally recognised Human Rights advocate Walter Rodney sadly and profoundly shocked the world;

And whereas it is meet and right that the truth regarding his death should be discovered, identified and publicised in the interests of due justice;

And be it hereby further solemnly resolved that we the National Democratic Congress (NDC) of Grenada, Carriacou and Petit Martinique assembled at our First Annual Convention at the St. Andrew's Anglican Secondary School (SAASS) at Telescope in the parish of St. Andrew this 18th day of October 1987 highly commend the authorities in Guyana for deciding to hold an inquest into the death of the said Walter Rodney;

And be it hereby further solemnly resolved that we the NDC urge the said authorities in Guyana to persevere in their efforts to bring to fruition what we are sure to be their desire that the said inquest into the death of the said Walter Rodney be public, proper, fair and just.

Whereas the governments fiscal reform program of 1986 has failed.

And whereas as a result government now owes NIS some \$34M and the National Commercial Banks some \$37M not widening its overdraft facility.

And whereas budgetary assistance requested by government for 1987 is way below expectations;

And whereas governments only response to this crisis is to embark upon a brutal and heartless retrenchment program that is bringing pain to workers and their families and at the same time affecting adversely the climate of consumer demand in the economy;

And whereas this retrenchment program is being used to victimize opponents and critics of the government, and thereby constitutes a blatant violation of their fundamental and constitutional rights;

Be it hereby further solemnly resolved that we the National Democratic congress meeting at its first historic Convention hereby call upon the government to cease immediately this arbitrary and heartless retrenchment scheme;

Be it hereby further solemnly resolved that government abandons the suicidal scheme of the present fiscal program and come up with a program that is realistic, sensible and workable, one that will achieve the twin objective of revenue generation and growth stimulation.

MBPM Rallies

32980089 St Georges *INDIES TIMES* in English
24 Oct 87 pp 1, 4-5

[Text] More than 3,000 people packed into and around the recreation ground in Victoria on Monday 19th to commemorate the 4th anniversary of the assassination of Bro. Maurice Bishop and the Oct 19th Martyrs.

The activity was hosted by the Maurice Bishop Patriotic Movement (MBPM) and consisted of a series of activities that started with sporting encounters between various Netball, Soccer and Basketball games, cultural performances and ended with political speeches by MBPM Executive members.

The turn out was a most fitting tribute to our fallen Heroes and Martyrs of Oct 29 1983 and show the tremendous respect and admiration that the people continue to have for Maurice Bishop and was also demonstrated by their response to the activities planned.

—Very enthusiastic sporting encounters took place between a netball team from Gouyave and another from Victoria; a small goal match between two improvised teams, and a basketball game between Maurice Bishop Triple Pumpers and the Victoria basketball team.

—Following this, a lively cultural performance with Calypsonians Kelley. Squeezy Ranking I Jah Man, poets Allan Campbell and sister Lucille kept the crowd ignited and entertained.

The political part of the activity was chaired by Bro. Einstein Louison, Executive member of MBPM acting as both chairman and speaker, and was also addressed by Dr. Terry Marryshow and leader of the MBPM Bro. Kenrick Radix.

In his inspiring address, Bro. Louison blasted the NNP government for bringing the country back 50 years to the days of colonialism. He said that the NNP could not deliver the goods and this is why the people are so dissatisfied with them. He noted that within the ranks of the MBPM were people with the necessary qualities for pushing the nation forward and he ended by making an appeal to the Grenadian masses to come forward and join the MBPM to save the nation.

Bro. Marryshow in his address paid glowing tribute to Bro. Bishop as a nationalist, internationalist and as Grenada's most beloved, most sincere, most respected, and noblest of all Grenadian Prime Ministers who had left us a rich legacy of ideas, examples and revolutionary thought which the Grenadian people need to check out more. He ended with a call to the youth to join the reorganization drive of the party and the Maurice Bishop Youth Organization.

Leader of the MBPM, Bro. Kenrick Radix was in vintage form and had the crowd thrilled with his combination of humour and wit as he severely criticized the NNP regime for destroying the economy, the youth and the nation as a whole. He made an urgent plea to the youth to stay away from drugs and led them in a chant against drugs saying "Join the Fight Back; Say No to Coke and Crack".

He announced the launching of a petition campaign to end the victimization of MBPM executive members Einstein Louison and Dr. Terry Marryshow. The petitions are for the return of Bro. Einstein Louison's passport which has been taken away from him for over two years now by the NNP government, thus preventing him from travelling abroad on behalf of the party or on his own behalf. The members of all other political parties have this right except Einstein. The other petition is on behalf of Dr. Terry Marryshow, a Grenadian medical doctor trained in Cuba and another member of MBPM's executive who was been denied employment, and a license to practice medicine for over a year now, thus preventing him from giving his services to the Grenadian people. Bro. Radix ended by calling on the Grenadian

people to organize themselves again to build the new society of workers, farmers, manufactures when there will be a return to people's democracy, people's participation and people's power.

When the curtain came down on the activity, it was clear to every one that the "Spirit of Maurice Bishop Lives" in the hearts and minds of the people. It was also clear that MBPM had indeed "shaken the ground," and that no more must MBPM be taken lightly because we are going full-steam ahead "on our feet and not on our knees" now and in the future.

MBPM in Bylands

32980089 St Georges *INDIES TIMES* in English
24 Oct 87 p 5

[Text] Over a hundred residents of Bylands in St. Andrew's packed into the school house to hear MBPM's executive members on thursday night, Oct 15th.

Attending were Bro. Einstein Louison and Dr. Terry Marryshow who spoke about the critical situation forcing the country and the rebuilding of the Maurice Bishop Patriotic Movement and the Maurice Bishop Youth Organization (MBYO).

The people were brought up to date on the victimization and discrimination of the NNP government against both Bro. Louison and T. Marryshow.

Despite an electrical black-out, the people of the village showed their eagerness by providing a lantern to start the activity and proving that "not even darkness can stop the show". When the electricity came back, the film entitled "Maurice" was shown and it went down very well with the crowd.

Once more, this event shows that MBPM is on the ground with the people quite unlike the other parties that talk loud and say nothing.

MBPM in St. Patrick's

32980089 St Georges *INDIES TIMES* in English
24 Oct 87 p 5

[Text] Bro. Einstein Louison, executive member of the MBPM met with an enthusiastic group of people from the St. Patrick's area on Tuesday Oct 13. The people were brought up to date on the plans for the commemoration of Oct 19th as well as the general political situation in the country. It was a well attended activity and in keeping with MBPM's drive to keep the people informed always about what we are doing. Following Bro. Louison's address, there was question and answer session in which many doubts were clarified. Bro. Louison promised to come again and the residents promised to help in the reorganization of the party and youth organization.

Four Years After Invasion

32980089 St Georges *INDIES TIMES* in English
24 Oct 87 p 3

[Editorial]

[Text] Four years have passed since the Yankees with a token Caribbean contingent force invaded Grenada.

The brutal crime, the invasion of an independent sovereign state was committed after the counter-revolution by the Coard clique.

The Coard clique rose up in the bowels of the NJM, committee unprecedented crimes and destroyed the party and revolution.

Their action left the door wide open for the U.S. who always wanted the chance to invade and turn back the revolutionary process in Grenada. The U.S. immediately came in with a vengeance and seized the opportunity to try and destroy the legacy of Maurice Bishop and turn back the revolutionary gains of the people. The U.S. has sought to do that with the assistance of the NNP government.

But today, four years later, the Yankee plan has failed and they now have to go back to the drawing board to hatch a new one.

the NNP has been the biggest disaster in Grenada's history and has brought the country some 50 years back. The party has been plagued with inefficiency, corruption, and infighting. They have made petty spite and victimization their main thrust and as such have been unable to attend to the people's needs.

Serious infighting led to the disintegration of the NNP and today a breakaway faction led by George Brizan has formed themselves into a new party the NDC.

The NNP has brought economic disaster to the country. Agriculture, tourism and manufacturing have all declined. The private sector is unable to expand and the cooperative sector is virtually dead.

Unemployment, drug use, social crimes and prostitution have all risen to unprecedented levels.

the implementation of VAT has been a major factor in strangling the economy. VAT has led to budgetary shortfalls and massive retrenchment of workers by the regime.

Indeed, the NNP has plunged the country into doom and gloom and the people are clamouring for change.

The Yankee invasion of Grenada has therefore brought no positive change. Instead it has brought disaster upon our people.

Far from destroying the memory of Cde Maurice Bishop and the October 1 Martyrs, today they stand as monumental heroes of our people. The U.S. has failed to destroy the legacy of the revolution and today the people are demanding the programmes and plans for the revolution for their salvation.

On this 4th anniversary of the invasion, we call upon the people to further resist the new attempts to recolonize them and to demand total independence and sovereignty once again.

We call upon all Grenadians who lost their children in the invasion to demand full identification, recognition and compensation for them. Using the example of Vietnam, we should never allow the U.S. and the puppet NNP to get away with this crime. It is more than time that the NNP regime conduct an inquiry so as to establish a complete and a correct list of all those who were killed in the invasion.

We demand that the NNP stop all the mockery and to pay tribute to our own Grenadian soldiers who died defending this land and to name the airport the Maurice Bishop International Airport.

MBPM stands ready and willing to struggle with the people for their just demands.

Gairy Welcomed to Ex-PRA

32980089 St Georges *THE GRENADIAN VOICE*
in English 7 Nov 87 p 1

[Article: "Gairy Dreams of a New Army of Ex-PRA's"]

[Text] Former Prime Minister Eric Gairy says "when" he is returned to power, former members of the People's Revolutionary Army will feature prominently in his new army.

Gairy said at a public meeting held in Munich, St. Andrew's on Sunday, that he has been talking with some ex-PRA's whom he said he will gladly accept.

Speaking of the ex-PRA's, he said: "I am very happy to be with you fellas again, because when we start the new little army, you're already trained, you're coming in first." He added: "We want you back because you're trained already. (Maurice) Bishop trained you for us, we're going to use you to defend the country man."

Gairy who was overthrown in March 1979, by Bishop, after years of controversial rule, said he has sympathy for some of the ex-PRA members because many of them had to take up guns otherwise they would have been gunned down themselves.

The former Prime Minister also took a swipe at the National Democratic Congress' George Brizan and Francis Alexis, saying that they cannot be trusted, and accusing them of being responsible for some of the "economic mess" Grenada is in now.

He also said he is "angry" with Prime Minister Herbert Blaize for squandering the opportunity to ask the United States for more money, when President Ronald Reagan visited Grenada. "Instead of Blaize seizing the opportunity to ask for \$500 million dollars soft loan or grant, he is talking something about this damn stinking hole or something like that," he said.

In spite of this, Gairy conceded that more aid has come to Grenada in the last three years than in the previous 30, saying he has not seen the corresponding development.

Gairy also spoke about internal party democracy in his Grenada United Labour Party and emphasised the need to reorganise party village groups. He said the party's constitution and manifesto are currently being printed in the United States and will soon be made available to all groups.

One issue the GULP'S manifesto deals with at length, according to Mrs. Winnifred Strachan at Sunday's meeting, is "the rights and privileges of women." Without going into details, she said, the manifesto makes provision "to take care of men who go out of their way to beat their women."

Another of the speakers at Sunday's meeting was Michael Baptiste, a native of the village, who owns the "Talk of the Town" restaurant in St. George's. Baptiste tipped to be a GULP candidate in the next elections, has been resident for most of the last 15 years in the United States.

Using a lot of rhetoric in his flashy American accent, he received a good welcome by the 200 people gathered, and was called back to address the crowd again.

GULP Organ on NDC

32980089 St Georges *GRENADA GUARDIAN*
in English 23 Oct 87 p 2

[Editorial: "Grenadians Know What They Have in the Grenada United Labour Party"]

[Text] As the first and best-organised political party in Grenada, we congratulate and applaud George Brizan, Francis Alexis and Phinsley St. Louis on the formal launching of their National Democratic Congress and welcome that new group into the ranks of political parties existing in Grenada today. They need to make a start sometime and, in their belief that General Elections are just around the corner, they consider this time as good as any, perhaps the most propitious. Little do they

know that Blaize is far more shrewd and cooperative than that and is nowhere near calling General Elections, until the National Congress is well established.

The history of party politics in Grenada makes interesting and instructive reading. Many persons do not know or may have forgotten that party politics was introduced in Grenada by Eric Matthew Gairy when, as President-General of the Grenada Manual Workers' Union, he formed the Grenada United Labour Party in 1950, 37 years ago, and launched it as an instrument for seeking and obtaining, through effective political action, opportunities for the poor and disadvantaged workers which hitherto had simply eluded or had been deliberately denied them.

The advantages and benefits that accrued to the poor, disadvantaged people of Grenada as a direct result of the launching of the Grenada United Labour Party are too many and far-reaching to catalogue in this editorial. Suffice it to say that for the first time in the long history of struggle the poor people of Grenada had an effective organ through which to seek justice and fair-play and improve the quality of life for themselves and their families. Viewed in the context of the prejudices, obduracy, recalcitrance and outright opposition on the part of the elite of the 1950's, the achievements of the Grenada United Labour Party, measured by whatever standard, are not only remarkable but monumental.

The tasks facing Grenada today, 37 years after the launching of the Grenada United Labour Party have not decreased. Indeed, if anything, they have increased both in dimension and in complexity, and require a level of political experience and vision, a sense of national purpose, a commitment to a generally-acceptable ideology, a degree of party integration and unity and a quality of drive, dynamism and leadership such as only the Grenada United Labour Party has been known to provide.

While we wish the National Democratic Congress well we remind them that they have now entered the political arena as a party the spot-light if inquiry will not cease from focusing on them, because the public and the international community will need to be satisfied about the motives, ambitions, [word indistinct] and the real intentions of individuals leaders and the party as a whole. For example, people will want to know why Brizan and Alexis really left the NNP; that their relationship was before they were forced to participate in the NNP; what connection (if any) they and other officers of the party had with the PRG; why and to what end is Brizan so closely circumscribed by certain questionable people who could never really have the interest of Grenadians at heart.

The ultimate objective of a political party and its officers must be to serve the broad interest of the people of Grenada, provide leadership and programmes that will give Grenadians a new vision of a bright tomorrow and

demonstrate a national commitment that would give Grenadians hope and self-respect and the assurance that they will never again be subjected to communist domination and control. Grenadians know what they have in the Grenada United Labour Party and that this is the party best able and prepared to lead them and give Grenada the drive and impetus to move forward again. They do not know what they might get into with the National Democratic Congress, and time is running out on the patience of our people and especially the young, the poor and the unemployed.

/06662

Economic Problems Persist Despite 6.2-Percent Growth

Business Community Criticism

32980088b *Port-of-Spain TRINIDAD GUARDIAN*
in English 13 Nov 87 p 14

[Excerpts] Government of Prime Minister Herbert Blaize, confronted with acute financial difficulties and a rising political challenge from the new opposition National Democratic Congress (NDC), found itself subjected to strong criticism, last month, from leading members of the business community.

Business leaders, like the newly-elected NDC leader, George Brizan, took the Government to task for raiding the country's financial institutions for funds with which to meet recurrent revenue shortfalls, and for failing to follow coherent policy for economic recovery.

Government's financial problems, which arise from its inability to collect a range of new taxes imposed in the 1986 and 1987 Budgets, have been admitted by Mr Blaize himself, and arguments over economic policy were among the main factors in the decision of Mr Brizan and his associates to leave the Government, in April, and form the NDC.

The unhappiness of commercial, agricultural and tourist interests with the Government's performance is a further factor which could pose a considerable threat to Mr Blaize, unless he is prepared to compromise on his taxation policy.

Difficult Year Ahead

Warning of a further difficult economic year ahead came from one of the country's most influential business leaders, Fred Toppin, Managing Director of Jonas Browne and Hubbard, whose activities cover manufacturing, retail and wholesale trade, car sales, insurance, and shipping.

Describing the economy as "not very bright," he said his company's sales were down by five percent on the previous year, and forecast that 1988 would be "very quiet" economically.

"The obvious reason is Government does not have any money," he said. "In order to meet their commitments, they are depleting many of the sources of funds, such as the two Government banks and the National Insurance Scheme."

He criticised the state electricity service, saying that when his company built a paint factory in 1986, it was given an assurance of regular power supplies. However, "at this critical time of the year, when we should be producing fully, we find we have power cuts half the day."

Mr Toppin also commented that the political climate had created a sense of uncertainty, a view shared by Andre Cherman, outgoing President of Grenada Hotel Association, who said last month:

"One would have thought that after all the political problems over the years, this country would have settled down. Instead, we are all confused. There is lack of discipline and respect, and Grenada is still considered to be an unsafe destination."

Mr Cherman criticised the Government for its "woefully inadequate" tourism budget allocation of EC\$1.1m, and accused Government minister of being inaccessible to representatives of the industry.

Acknowledging the force of his criticisms, Tourism Minister, Ben Jones, said the Government was considering suggestions, including abolition of value added tax (VAT) on hotel meals, and the creation of a tourist board. He admitted that few foreign investors had taken up incentives offered for tourist development.

The private sector criticisms follow recent complaints by the nutmeg, cocoa and banana associations at the Government's decision to apply to them the 2.5 percent business levy introduced in this year's Budget. Widespread non-payment of the levy has led the Government to threaten legal action against defaulters.

Details of the revenue shortfall were given last month by Mr Brizan, who was elected political leader of the NDC at its inaugural meeting on October 18.

During the first half of this year, he said, revenue from VAT was EC\$5m short of projections; the business levy had produced less than EC\$0.7m, against an expected EC\$5m; property transfer tax realised EC\$181,000 instead of EC\$7m; and motor tax and property tax had also seen a shortfall.

Adding that budgetary support from the US was EC\$14m less than expected, and that Government had borrowed EC\$7m from the National Insurance Scheme between May and August, he said:

"Unless there is a drastic re-examination of the fiscal programme, the Government will find itself in a situation where its cash flow is incapable of meeting its financial requirements."

Economic Growth

32980088b Bridgetown CANA in English
1646 GMT 16 Nov 87

[Text] St Georges, Nov 16—The Grenada economy grew by 6.2 percent during the first nine months of this year, according to Prime Minister Herbert Blaize. This, he said, followed the 4.9 percent increase in gross domestic product achieved in 1985 and the 5.5 percent last year. He said that even higher growth rates are expected in 1988 and beyond.

Blaize attributed the Grenada performance to economic and fiscal reform introduced by his three-year-old government following nearly five years of Marxist experimentation.

The Grenada Government abolished 20 taxes in 1985, and introduced a controversial 20 percent Value Added Tax (VAT) as the centre-piece of the reform package.

The prime minister said the economic strategy currently being pursued here "has become necessary as a result of the legacy of inherited by the present government."

He spoke of the private sector being "the principal engine of growth in the Grenadian economy, with the government concentrating its resources on the rehabilitation of infrastructure for productive investment."

"The government is determined to demonstrate Grenada as a model of successful transformation of a small open economy placed in the hands of the people of this country," Blaize said.

Blaize on Deficit

32980088b Bridgetown CANA in English
2217 GMT 22 Nov 87

[Text] St Georges, Nov 22—The Grenada Government found it "extremely difficult" during the first half of the year to finance its budget deficit, according to Prime Minister Herbert Blaize.

Blaize gave details of the problem in a confidential report to cabinet dated July 6, 1987. Details of the report have been leaked to the Caribbean News Agency.

This year's budget projected a deficit of EC29.3 million dollars which was to be financed by 22.3 million dollars in aid mainly from the United States and a structural adjustment loan of seven million dollars from the International Monetary Fund (IMF).

But Blaize said up to the date of the report, government had not been able to receive any of this financing. He said there were indications that whatever amount is received would be significantly less than originally projected.

"The total deficit has been financed, so far, by heavy borrowing from the local commercial banks and the National Insurance Scheme (NIS), as well as deferral of payment vouchers in the treasury which have already been approved for payment through the Expenditure Control System," said Blaize, who holds the finance portfolio.

Blaize's government, since taking office in 1984, has borrowed over 60 million dollars from the NIS and the island's four commercial banks.

Blaize reported a half-year deficit of 19.3 million dollars, comprising a recurrent deficit of 13.9 million dollars and a capital deficit of 5.4 million dollars. He put the blame mainly on a shortfall in the collection of taxes.

"Recurrent revenue totalled 45.6 million dollars or 39 percent of the annual estimates, while recurrent expenditure, before debt, amounted to 47.7 million dollars or 32.6 percent of the annual estimates," he said.

"Debt payments were—principal 4.9 million dollars, interest 6.4 million dollars, and sinking fund contributions 0.4 million dollars. Capital expenditure (through treasury) totalled 5.4 million dollars of which 1.1 million dollars was financed from external sources and 4.3 million dollars from local sources," he added.

Blaize indicated that government had collected 19.6 million dollars from the controversial 20 percent Value Added Tax (VAT)—backbone of the tax system—in the six-month period.

He said government expected to realise the projected 47 million dollars in VAT collections for the year. However, the Ministry of Finance was concerned about the huge build-up of credits by the large firms which, the report said, result in reducing the actual cash yield of the tax.

Blaize said businesses found to be delinquent to VAT payments were being fined by the Inland Revenue Department.

Another concern to the Ministry of Finance was leakage of available revenue through the granting of duty and tax concessions.

"It would appear that a more rational and selective approach to the granting of concessions needs to be adopted as the tax base keeps getting eroded through such concessions," Blaize said.

Recurrent expenditure in the review period reached 59.5 million dollars, 41 percent of the approved estimate in the budget.

"Although this amount is well within one-half of the expenditure budget, it must be noted that the provision of 10 million dollars for the retrenchment programme and 6 million dollars for salary increases have not yet been utilized," Blaize said.

"In addition, debt payments in the sum of 6 million dollars due in the first half of the year have not been met. Included in the overall expenditure also is some 0.62 million dollars for unbudgeted expenditure authorized by special warrants and for which savings in the sum of 0.527 million dollars could not be obtained," he added.

Looking at the overall performance of government, Blaize said most ministries and departments were well within one-half of their approved budgets except for Parliament, Legal Affairs and Labour, as well as the Ministry of Works.

/06662

Government-Named Cocoa Board Hits Snag
32980090c Bridgetown CANA in English
2343 GMT 18 Nov 87

[Text] St Georges, Nov 16—An interim board just set up by the Grenada Government to look after the islands important cocoa industry has run into early snags, with at least two members turning down their appointments.

Chairman of the privately-run Grenada Cocoa Industry Board Cuthbert Hosten and barrister-at-law Wilberforce Nyaack, who was named to head the new board, have both declined.

The development comes less than 24 hours before Agriculture Minister Ben Jones is due to meet the new appointees for the first time.

Government announced the new 13-member board this month after dissolving two previous boards that looked after the affairs of an estimated 7,000 cocoa farmers.

Hosten told CANA that he was named without prior consultation, while informed sources said that Nyaack was declining because of pressure of work.

According to Hosten it would be "unethical" of him to accept the appointment since he considered government's action in unilaterally dissolving the previous board an insult to farmers.

"The board which was dissolved its life ends September next year. [sentence as received] The people have elected us and I cannot accept an appointment with government

during the life of a duly elected and constituted board. In other words, I would be slapping the people in the face by going and accepting any service under another board," he said.

Government's decision to set up a new board is seen as an attempt to satisfy the criteria for obtaining continued Canadian financial assistance to Grenada's cocoa rehabilitation effort.

The Canadian International Development Agency (CIDA) had threatened to withdraw funding for the

industry unless government was able to bring about an amalgamation of the two independent boards.

CIDA has frequently complained that there was too much duplication by the two boards, particularly in the area of pest and disease control, fertilizer input, propagation, research, and marketing.

/06662

INTA President Says 'No Agrarian Reform'

32480031b Guatemala City EL GRAFICO in Spanish
25 Oct 87 p 8

[Text] Guatemala, 25 October—On different occasions the government has made it clear that there will not be an agrarian reform, Engineer Nery Orlando Samayoa, the president of the INTA [National Agrarian Transformation Institute], says in connection with recent statements by Father Andres Giron.

The disputed priest recently told reporters at the Palacio Nacional that he was demanding that there be an agrarian reform in the country. Because, he said, the peasant problem must be finally resolved.

In answer to a question from EL GRAFICO, the president of the INTA said that the agrarian reform issue is so difficult and so acute that it cannot be tackled lightly.

He added, however, that he thinks that agrarian reform is already being furthered with the democratic agrarian policy the INTA is implementing. He was referring, he went on, to the buying and selling of small farms, but while respecting private property.

Engineer Nery Samayoa was of the opinion that an agrarian reform is being conducted, but from the government's point of view.

The president of the INTA said that next November three more farms would be delivered, two of which have already been bought and the third of which is practically purchased. In this way in November the delivery of 11 farms will be completed, whereby the policy promised by the government will have been carried out.

These farms, the official explained, were acquired at an approximate cost of a million quetzals.

One of them—a small one—is located in Mazatenango, Suchitepequez, near La Maquina and cost 1,100 quetzals; another, in Escuintla, is worth 650,000 quetzals and the third, in Colomba, Quetzaltenango, 300,000 quetzals.

The Colomba farm will be turned over to an organized group that includes a cooperative and another group of peasants, and the other two, Escuintla and Mazatenango, to leaders who emerged this year.

11466/06091

**INTA To Administer Peten Department
Agriculture**

32480031c Guatemala City EL GRAFICO in Spanish
26 Oct 87 p 3

[Text] In view of the disappearance of the Peten Promotion and Development Company (FYDEP), the Agrarian Transformation Institute (INTA) is going to take over that department, Engineer Nery Orlando Samayoa, the president of the INTA, states.

The official said that "this may mean a great opportunity to give thousands of peasants land."

But he made it clear that Peten is going to be administered from a self-contained point of view. That is, farms are not going to be delivered without an agrological study. He stated that they are going to above all attempt to maintain that department's flora and fauna.

The president of the INTA said that Peten is one of the few parts of the world that preserves its own fauna and flora, which deserve to be cared for.

Engineer Samayoa estimated that there was a demand for land in Guatemala on the part of 400,000 families and that Peten may be an alternative to place a good number of them.

The president of the INTA assured us that in Peten they are going to operate in a somewhat drastic fashion, applying, for example, Decree 1551 (the INTA law). This means that individuals who have purchased farms (or have been given them through favoritism) and who have not worked them will have their farms reclaimed by the state.

These farms will later be distributed to peasants in a communitarian way.

Engineer Samayoa said that a commission composed of the vice presidency will go to take possession of Peten and then each government agency will go and take over what it is responsible for, like the Communications Ministry, the INAFOR [National Forestry Service] and the INTA.

11466/06091

CUSG Demands Price Controls on Basic Foods

32480031a Guatemala City EL GRAFICO in Spanish
30 Oct 87 p 3

[Text] Guatemala, 30 October, from our editorial desk—Yesterday the Labor Unity Federation (CUSG) announced that basic commodity prices have undergone a constant increase, which is why it has demanded of the CACIF "that it demonstrate that it is really interested in the well-being of the people" and of the government "that it comply with the law, setting price ceilings" for these commodities.

The announcement and the demands on these two sectors presented by the CUSG came about in connection with the discussion that has been going on between the CACIF and the government with regard to the tax laws.

The text of the manifesto is as follows:

The CUSG has noted how basic commodity prices have been undergoing a constant increase for several weeks now—and more so these past few days—to people's stupefaction and impotence. These rises in price have occurred in all parts of the country and the government has demonstrated its absolute indifference to them.

The above offers clear proof of the demagogy of both the CACIF and the government, since these facts contradict the enormous propaganda we have been subjected to these past few days.

Therefore, the CUSG demands:

1. Of the CACIF, that it demonstrate that it is really interested in the well-being of the people, as it has proclaimed it is these past few days, and that it put a stop to the greedy and unwarranted rise in prices.

2. Of the Christian Democratic government, that it comply with the law, which it has always said it defends, utilizing for this purpose the channels and means it has available to it. The establishment of price ceilings for basic commodities becomes demagogy when the political determination to see to it that they are respected is lacking.

And lastly, we are letting those who supported the government in the "package deal" see the grave error they committed and the irresponsible way in which they have compromised the people.

Now people can clearly recognize those who are their genuine, responsible and mature leaders and who are capable of leading them in the most difficult of times.

11466/06091

PNC Congress Views on Foreign Policy Reported
32980091a Georgetown NEW NATION in English
8 Nov 87 p 2

[Text] Over the past weeks NEW NATION has been reviewing the decisions taken at the Seventh Biennial Congress and contained in the Consolidated Report. The Consolidated Report is a record of the decisions taken at Congress. It was compiled after deliberations by the delegates and observers to Congress when they met in the various commissions (workshops).

This week NEW NATION examines the decisions taken in connection with Guyana's foreign policy.

In their commissions the delegates and observers reiterated that "Guyana should never relent in her efforts to develop and maintain friendly and cordial relations with all countries, provided the policies of these countries accord respect to Guyana's sovereignty and national aspirations." The exception is South Africa whose policies are too odious.

Foremost in this country's foreign policy are the commitment to the principle of Non-Alignment and the determination to maintain and consolidate its independence. When Comrade Leader Desmond Hoyte addressed Congress he remarked that Guyana's foreign policy will be informed by the domestic considerations.

Trade within Caricom is one of the major pursuits of this country. The Consolidated Report notes that the strength of Guyana's economic relations with Caricom is critical to the national strategy for economic recovery. Over the past years, due in part to Guyana's efforts, the political and economic relations with "Caricom partners" have been improving. Comrade Leader had told Congress that Caricom is the centrepiece of Guyana's foreign policy.

The continuing efforts to strengthen bilateral relations with "neighbours that are geographically contiguous" promise much mutual benefit. Such relations could also serve as a springboard for closer relations with other Latin American States. Relations between Guyana and its geographic neighbours continue to improve.

But even as Guyana pursues its foreign policy it must recognise the influence of regional and global conditions. Conditions in Latin and Central America are bound to affect Guyana. The Consolidated Report urges that the problems in the region be settled through peaceful means, rather than through the force of arms.

Guyana has already expressed support for the Arias Peace Plan and continues to issue the call for the Caribbean to remain a zone of peace and for this zone to be extended to include Central America.

The question of ideological pluralism, one of the tenets of Guyana's foreign policy, has also been documented in the Consolidated Report. Efforts to impose a uniformity of political ideas should be eschewed, the Report contends. This principle is important in the quest for peace in Latin and Central American and the Caribbean, it adds.

Guyana's foreign policy also takes into consideration, relations with traditional trading partners. The relations are currently characterised by preferential trading arrangements. The report therefore calls for steps to be taken to make Guyana a designated Caribbean Basin Initiative country.

This country's foreign policy relations have been diversified over the years to include countries of varying ideological persuasions. This is being supported by the theme: "Reaching Out Boldly For Progress," which will be the theme for the upcoming regional conferences.

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New PRC Ambassador Cites 'Friendly Relations'
32980091b Georgetown GUYANA CHRONICLE
in English 31 Oct 87 p 4

[Text] Vice-President Dr Mohamed Shahabuddeen yesterday accepted the credentials of new Chinese Ambassador to Guyana Mr. Yang Zengye and expressed the wish that his tour of duty would see stronger relations and higher levels of co-operation as the two countries promote better living and working conditions.

Ambassador Yang Zengye said China attaches great importance to its friendship with Guyana and is ready, together with the Guyana Government, to make new efforts to further consolidate and develop the friendly relations and co-operation between the two countries.

He noted Guyana's "unremitting efforts" in safeguarding its independence and sovereignty and developing its national economy, thus laying the foundation for the construction of a prosperous Guyana.

"Today, the Government and people of Guyana under the leadership of President Hoyte, are mobilising all positive factors in their assiduous efforts to implement the policy of reform and realise the magnificent goal of revitalising their national economy," the Ambassador said.

Vice-President Shahabuddeen, responding to the remarks of the ambassador, indicated Guyana's own admiration for the tremendous successes the Chinese Government and people have achieved especially in the task of building a strong national economy.

China, he said, is a well-respected member of the international community both in terms of its principled foreign policy as well as its commitment and contribution to the achievement of a peaceful and stable world order.

The Ambassador noted that in international affairs, Guyana adheres to an independent foreign policy of non-alignment, devotes itself to safeguarding world peace, actively strengthens its solidarity and co-operation with the Third World countries and plays an important role in promoting the integration movement of the Commonwealth Caribbean.

Both the Vice-President and the Ambassador noted that since the establishment of diplomatic relations between China and Guyana, the two countries have enjoyed a warm and cordial relationship. Cde. Shahabuddeen observed that co-operation between the two countries has reached a highly satisfactory level both bilaterally and multilaterally and that the two countries have benefited from many areas of mutually agreeable endeavours.

Vice-President Shahabuddeen expressed the hope that the Ambassador's tour would be pleasant and rewarding and conveyed through the Ambassador to the President and people of China, the best wishes of the Government and the people of Guyana.

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Highlights of Working People's Alliance Program
32980092a Georgetown DAYCLEAN in English
7 Nov 87 p 1

[Text] The WPA met at its Third Members' Conference November 1, 1987 and adopted the party's draft programme. Although the draft was being studied on and off during the past year, most of the nine workshops on Sunday felt that the discussion time of two hours was too short. However, many fruitful ideas came up, changes were made and the adopted programme is now to be put out in simple language.

The party is Rodneyite.

It is a revolutionary, democratic and humanist party.

The party embraces all whose private beliefs allow them to take the side of the working people in class conflicts.

It embraces all who commit themselves to the genuine, multiracial and democratic power of the working people.

It embraces all who oppose the practice of discrimination on grounds of race or sex.

It embraces all who oppose corruption and oppression.

It embraces all who uphold human rights.

Resolutions of the Party

In addition to its work on the party programme, the conference discussed and passed resolutions calling for an end to kerosene lines, demanding town and village renewal and an electricity policy which delivers light and power to the people of Guyana. Other resolutions called for a campaign to restore integrity to public life and hailed the Integrity Commission Report, and appealed to organisations to raise and defend the principle of freedom of association. The conference also adopted two declarations: one on the financial oppression of the Guyanese working people and one on the present state of multi-ethnic societies such as Fiji, Sri Lanka, USA, South Africa and Guyana.

Towards the Democratic Republic

The party repeated its position on socialism, first expressed in 1979 and then again in 1985 at the Critchlow Labour College symposium: that the building of socialism is not correct in this time. The party recommitted itself to the Democratic Republic, empowerment of our people and communities and an economic programme of reconstruction.

The WPA has officially changed from a party of activists to a mass party and the conference authorised a membership drive.

The conference also demanded the right of members to be consulted on the alliances of the party. Issues relating to this which are presently before the executive will at once be sent to the membership for consultation.

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WPA Leader Kwayana's Fast Sparks Arrests, Protests

Police Action

32980092b Bridgetown CANA in English
2335 GMT 11 Nov 87

[Text] Georgetown, Nov 11—Guyana's Commissioner of Police Batram Raghbir tonight confirmed that eight persons including Barbadian novelist George Lamming were arrested earlier today and released on bail.

In a statement, Raghbir said Lamming, one of about 30 persons who joined co-leader of the opposition Working Peoples Alliance (WPA) Eusi Kwayana and two other persons on a fast outside parliament, allegedly assaulted the police and this led to his arrest.

Raghbir said Lamming came to Guyana on holiday and he found it surprising that he should get involved in local politics. Any visitor to this country is expected to obey the laws of the country, Raghbir said.

He said that around 10:30 a.m. 30 persons who joined the group of persons allegedly fasting outside of parliament buildings were encumbering the pavement and the police asked them to move on.

Some of those persons complied but the others argued with the police and assaulted some of the policemen by striking them with their fists.

They were arrested and taken to Brickdam police station which is nearby and released on bail after being warned of prosecution.

Earlier in the day another WPA co-leader, Rupert Roopnarine, and other WPA activists at the scene of the incident accused the police of using excessive and unnecessary force to disperse people who had turned up for an inter-religious service marking the end of a 10-day fast led by Kwayana.

In our view, the police carried out a riot and in the process used force against peaceful citizens that was uncalled for, Roopnarine told journalists at a press conference held at the scene of the incident after the police had withdrawn.

He said Lamming is in Guyana on a private visit and was outside parliament to pay his respects to Kwayana. Lamming and the others arrested with him were released after being held for about 45 minutes.

Roopnarine also reported that as a result of today's incident Kwayana, leader of the Democratic Labour Movement Paul Tennessee, and religious leader and teacher Oudai Paul Singh have decided to extend their fast until noon tomorrow when they propose holding a religious service at the same place outside parliament.

He said that, anxious to ensure that they remained well within the law, the organisers of the service, which was scheduled for today, decided not to use any noisy instruments.

He said that so far as he knew no police permission is needed to hold a religious service in Guyana.

Among those present at the time of the incident today was Anglican Bishop Randolph George. But he was attending a service this evening and could not be reached for a comment on the police allegation that members of the force were assaulted by members of the public including Lamming.

Human Rights Group's Statement
32980092b Port-of-Spain TRINIDAD GUARDIAN
in English 14 Nov 87 p 5

[Text] Georgetown, CANA—Guyana Human Rights Association (GHRA) has called for a full public inquiry into arrest of world-renowned Barbadian author George Lamming and seven others here on Wednesday.

The eight were part of a small crowd that was about to take part in a religious service that was to culminate a week-old protest fast by opposition parliamentarian Eusi Kwayana.

In a statement released Thursday, the GHRA called the incident "deplorable" and said "the violence of the police was completely unprovoked". Two GHRA executive members witnessed the police break up the crowd which led Kwayana to extend his fast to midday Thursday.

Use Force

"In its human rights report for 1986, the GHRA had welcomed an increased tolerance for political dissent compared to the former regime. In the light of (Wednesday's) events, we trust that that judgment was not premature. Only a full and public inquiry would establish the current administration's real commitment to improve the democratic climate," the GHRA said.

The statement said "the disquieting aspect" of the police behaviour lay in the "planned intention to use unnecessary force." This suspicion, the statement added, was reinforced "by the subsequent fabrication attributed to the police that they were attacked by the people assembled for prayer."

The GHRA is headed by anglican Bishop Randolph George, with trade unionist Gordon Todd, and University of Guyana professor Dr Harold Lutchman as co-presidents.

Reaction in Trinidad

32980092b Port-of-Spain TRINIDAD GUARDIAN
in English 14 Nov 87 p 6

[Text] Several times in the last two years the Guyana authorities have damaged the hopes of Caribbean people that their cooperative republic was getting out of the excesses of the Forbes Burnham era.

The most recent disappointment was last Wednesday's Police baton charge, arrest and brutalisation of activists taking part in a religious service outside Parliament in Georgetown.

It was a shameful display against men and women who were doing no more than praying in support of parliamentarians fasting for greater democracy in their country.

Barbadian novelist George Lamming, one of the eight arrested, has said that Burnham-style repressions may still be alive in Guyana. His condemnation will ring painfully through the Caribbean.

In democratic countries of the region and the world, people have the right of peaceful protest outside Parliament. If members of a group cannot pray for greater

democracy outside Parliament without incurring a brutal and repressive retaliation from the powers that be, then freedom of opinion, speech and association cannot be said to be alive and well.

House of Israel

On occasion we were led to believe this kind of heavy-handed suppression had died with Burnham in August 1985 and put to rest by his successor Desmond Hoyte.

It is well known that Burnham did not tolerate demonstrations, and allowed military personnel, police, and sometimes thugs from the infamous House of Israel to break up anti-government demonstrations. This week's action has tainted Hoyte with the same anti-democratic image as Burnham.

Few would dispute the description of the Burnham regime as a dictatorship disguised as a democracy, existing only with military support, and marked by electoral fraud, denial of basic human rights and a frightfully destructive socialist system.

Burnham denied citizens a chance to express their opinion by controlling protests, victimising the free press, controlling the Trade Union Congress and staging a series of elections that were riddled with fraud and deception.

His support was known to come mostly from the 30 percent African population, with the 51 percent Indian majority supporting the opposition.

And although he led the country with relentless conviction from prosperity to economic desolation, Burnham claimed that his support of the electorate rose from 41 percent in 1964 soon after he took power, to 56 percent in 1968, to 70 percent in 1973 to 78 percent in 1980.

Either Guyanese were out of their minds, or the elections were rigged, as several international observers said openly.

When Burnham died, Hoyte gave some indications of a new dawn for Guyana. He phased down the socialism which had all but destroyed the country, and talked of opening Guyana to investment. He allowed flour and other banned items to a desperate people, and even allowed the establishment of an independent newspaper STABROEK NEWS. Rabbi Washington was jailed and the House of Israel disbanded.

But certain basic things have not changed, and this recent incident has raised fears that Hoyte may be moving, but only to mark time. His legs are moving, but he isn't going anywhere, as an opposition politician commented.

There is evidence for suspicion. The election of December 9, 1985, supervised by Hoyte, supposedly gave him an incredible 79 percent mandate, or 228,000 of 291,000 voters. Nobody who knows Guyana can accept this as a genuine election result.

A short free press honeymoon ended abruptly when the STABROEK NEWS found it couldn't get newsprint donated from outside, and Hoyte himself has been pressing libel suits designed to crush the paper financially.

Merely Cosmetic

In the last one he was awarded \$10,000 in damages from a newspaper that is limited to four letter size pages of the cheapest newsprint.

Last December the Guyana Government started harassing churches and searching the homes of bishops for arms and ammunition. He expelled Father Patrick Connors on very flimsy grounds, and departed the priest recently when he tried to re-enter the country.

There has been no change in the makeup of the army, claims of discrimination, of political influence in the judiciary, and in the allocation of jobs have remained.

Most significantly, Guyanese continue to vote with their feet against the Hoyte government. They flee Mr Hoyte's paradise as they did Mr Burnham's.

It is true that some things have changed in Guyana since Burnham passed away. It is also true that much has not. Incidents like baton charges against a prayer meeting for democracy can only alert the world that the changes could be merely cosmetic.

Kwayana on Call to Violence

32980092b Port-of-Spain DAILY EXPRESS
in English 16 Nov 87 p 19

[Text] Georgetown, Guyana, Sunday (CANA)—Co-leader of the Opposition Working People's Alliance (WPA), Eusi Kwayana, on Saturday defended the strong language he used thursday when he called on Guyanese to burn down petrol stations that offend them. In a statement Kwayana said the Guyana press and radio were very disturbed about the images he used, "very deliberately", dealing in particular with what he terms the sub-human conditions of sale of kerosene.

"My language and images in the statement, in my opinion, though strong, still fail to bring out the full degree of suffering and abuse of the kerosene buyers and the agony of drivers of public transport and passengers" he said. "So long as suffering of this kind is encouraged and maintained by the government, my pen will not sleep in my hand, nor will my tongue cling to the roof of my mouth".

In a four-page statement he issued Thursday at the end of an 11-day fast he undertook to call attention to problems in the Guyanese society, Kwayana said:

"I tell you in all justice, if the petrol stations offend you, burn them down. Kill no man or dog, but set those obscene horsewhipping centres on fire". He also said: "We must let them know that if their system does not change for the better as I recommended since 1986, you will burn those who are horsewhipping you".

Government Reply to Canadian Churches

32980092b Port-of-Spain DAILY EXPRESS
in English 17 Nov 87 p 17

[Text] Georgetown, Monday (CANA)—The Guyana Government has urged the Canadian Council of Churches (CCC) to "reflect on the advisability of involving itself in the political affairs of a foreign country (Guyana), without full knowledge and due consideration."

The government was reacting to a cablegram from the CCC, reportedly expressing support for Eusi Kwayana, co-leader of the opposition Working People's Alliance (WPA), who last Thursday ended an 11-day fast to draw attention to problems in the Guyanese society.

The response was sent by leader of the House and Minister of Regional Development, Jeffrey Thomas, and made available to the media by the Ministry of Information.

"It seems clear that you are unfamiliar with the politics involved in this issue and that, unfortunately, you have allowed yourself to be deceived and manipulated to serve partisan political ends," Thomas said.

He added: "As you might have learnt by now, Kwayana issued a statement in which he has in explicit terms advised people to burn down (petrol) filling stations."

Kwayana, Thomas added, also made use of the following words in his statement "which can reasonably be construed as an incitement to murder."

..."We must let them know that if their system does not change for the better as I recommended since 1986, you will burn those who are horsewhipping you."

Kwayana's remarks were made last Thursday in a prepared statement.

Leaders Discuss Economic Policies, Debt Rescheduling

Supreme Congress Meeting

32980091c Georgetown GUYANA CHRONICLE
in English 6 Nov 87 pp 1, 4

[Article by Dhanraj Bhagwandin]

[Text] The Supreme Congress of the People yesterday passed a motion expressing sincere thanks and appreciation to President Desmond Hoyte for his address to the Congress last Friday and approving of the policy adumbrated therein.

Meeting in the Parliament Chamber, Public Buildings, for nearly two and a half hours, the ninth sitting of the First Session of the Second Supreme Congress featured nine speakers including Deputy Prime Minister, Planning and Development Haslyn Parris who highlighted the significance of Guyana's stature had been enhanced further at Vancouver.

"President Hoyte has done us proud once again," Abraham told the Congress as he pointed to Guyana's distinguished role at the Commonwealth Summit on the apartheid question.

The UF Member of Parliament, who referred to President Hoyte's discussion with Indian Prime Minister Rajiv Gandhi and Canadian Prime Minister Brian Mulroney, also said his party looks forward to the economic benefits envisaged from the joint economic agreements reached.

He welcomed the proposal by the Commonwealth to introduce a programme of distance education which he observed would be a rich supplement to the education of people including those of the interior areas.

Earlier, Minister of Trade and Tourism Winston Murray spoke of the Vancouver Declaration on Trade adopted at the Commonwealth meeting which addressed such issues as growing protectionism and the external debts affecting developing countries such as Guyana.

Speaking about protectionism, Minister Murray said while schemes such as Caribcan, the Caribbean Basin Initiative and the Lome III Convention supposedly offer preferential treatment for some commodities of developing countries, they have certain exclusionary clauses to prevent the entry of products for which developing countries have natural comparative advantages.

Guyana, he told the Congress, is part of a group of middle income countries striving for adequate market access for its commodities as well as increased investments.

And, dealing with the external debts, he said Guyana welcomes measures which are being taken to address this issue, which, if not solved can result in the collapse of the international financial system.

The issue of protectionism was also dealt with by Minister within the Ministry of Agriculture Vibert Parvatan, particularly as it relates to agricultural development in countries such as Guyana.

Minister Parvatan pointed to the crucial role of the Commonwealth as reflected in the Commonwealth Declaration of Principles (Singapore, 1971) in which the organisation sets out its task as the fight for liberty, opposition to racism and colonialism and reduction of the disparities of wealth between the rich and poor.

In his contribution to the debate Deputy Prime Minister Haslyn Parris noted the significance of Guyana's participation at Vancouver where some issues, he said, reflected the correctness of our domestic policies.

The summit, which dealt with relations between the superpowers and the prospects for peace, underlined the importance of peace as a pre-condition for economic development, a policy which Cde. Parris said, was endorsed domestically.

In addition, the nexus between economic and political issues, and the Commonwealth position on education, youth and women, all addressed at Vancouver, are also embraced locally.

Cde. Parris also noted Guyana's participation in the work of two Commonwealth committees on the apartheid question as signaling the respect with which Guyana is held at that forum.

Hoyte at PNC General Council

*32980091c Georgetown GUYANA CHRONICLE
in English 10 Nov 87 pp 1, 4-5*

[Text] Guyana on Saturday called for concessional repayment terms for middle-income debtor nations and for the elimination of protectionism and other barriers that retarded international trade.

In a weekend address to General Council, the People's National Congress's highest decisionmaking forum between Biennial Congresses, Party Leader President Desmond Hoyte said Guyana has been pursuing talks with bilateral and multilateral creditors on the rescheduling of its debt.

"We have been meeting with some encouraging responses," he said, "and we will continue those discussions until we arrive at some agreement which will enable us to put our house in order.

"But we need to keep making the case for some attention to be paid to the reorganising of the debt burden of middle-income countries," he added.

The President cited the shrinking markets for Guyana's sugar and the continuing decline in access to global markets as examples of protectionist measures that impacted against the country's foreign currency earnings and that affected its net debt repayment flows.

Guyana has been designated a middle-income debtor, a category implying it is in a better position than "big debtor" countries like Brazil, Mexico and Argentina, and other countries designated "poor".

Guyana remains committed to honouring its obligations to its creditors, the President reiterated.

But the volatile world economic situation and protectionism have threatened to swell the country's ratio of debt in proportion to annual exports and to slow down its momentum of debt payments.

"Therefore," President Hoyte pointed out, Guyana has to continue to lobby for creditor response to calls by middle-income countries for some arrangement to cushion their debt burdens "and to reduce at least the obligation which we have for repayment while we seek to increase our inflows of foreign exchange."

One area of foreign currency savings he pinpointed was procurement. He said he was not satisfied Guyanese importers either in the public sector or in the private sector were buying at the most competitive prices. Our importers are still too bound by tradition, purchasing from long-established markets even though their prices were much higher than those of newer sources.

"We need to have a national policy on this," he told the General Council.

"We need to be more energetic in seeking out cheaper sources of goods even at the expense of abandoning long-standing and cherished associates."

President Hoyte was enormously worried by the prices attached to footwear in local stores, saying he believed there must be sources from which Guyanese can get footwear at much lower prices.

"We must make our dollar bring in more goods and services into our country," he stressed. "The situation calls for greater resourcefulness in managing our individual business entities and in managing the nation's economy," the President said.

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Ortega Blamed for U.S. Support of Contras
32480037a Managua LA PRENSA in Spanish
19 Nov 87 p 2

[Editorial by Cristiana Chamorro]

[Text] Yesterday I told Ortega at a roundtable on television, and it is necessary to repeat it now, that "the \$270 million is not our affair, it is President Ortega's. If he allows democracy, that alone will be enough to destroy the underpinnings of the counterrevolution."

Ortega appeared once again before national and foreign journalists as a standardbearer of peace, a lover of peace. He insisted on a dialogue with the Reagan Administration, which has been categorically rejected and which we know will not gain acceptance easily.

After all, it is not the U.S. Government that has the most to gain from ending this war. It is not the American people who are being bled, or the U.S. economy that is bearing the overwhelming brunt of the conflict.

No one can overlook the fact that it is Nicaraguan youth who are being sacrificed in the mountains, and it is the people of Nicaragua who are bearing on their shoulders the suffering, the poverty, and the hunger caused by the war.

I told this to Ortega, and I will repeat it: It is the Sandinist Government that must accept the responsibility of seeking the shortest and surest route to peace.

With the Esquipulas II accords, we think the president of Nicaragua has been offered the necessary political framework, perhaps the last chance to stop this bloody extermination of Nicaraguan youth and attain a lasting peace. It would be an unforgivable historical crime to waste this opportunity.

Nevertheless, yesterday we saw the Sandinist president insist once again on dialogue with the U.S. Government, as if the war being waged among Nicaraguans today were caused solely by the U.S. policy against Nicaragua.

Once again the Sandinist Government displayed its great political blindness, or rather historical amnesia, because we all know that this conflict has deep roots that are more internal than external in origin.

That is why we insist on the democratization of Nicaragua, on genuine compliance with Esquipulas II, and on the resultant elimination of the reasons for this war.

Away from the television cameras, beyond a contest to see who can give the best answers or who has the most experience in these perhaps pre-planned debates, we must reason and reflect on the profound internal roots of this conflict.

We start from the premise that it is not just the policy of the Reagan Administration toward the Nicaraguan Government that has provoked and maintained the armed conflict; rather, it is primarily the antidemocratic political system of the Sandinist National Liberation Front (FSLN), and the political-ideological dogmatism of the Sandinist leaders. Their vagueness, intransigence, errors, and contradictions are what have fed the war.

The FSLN began to sow the seeds of violence when it tried to impose political and economic models that were incompatible not only with Nicaragua's geopolitical location, but also with the political aspirations of the Nicaraguan people, who in a long, bloody and heroic battle had overthrown the Somocist dictatorship.

From the beginning, the FSLN destroyed national unity by closing the channels of civic expression to the opposition parties, and by using brute force in the form of the Sandinist mobs who opposed any ideological disagreement. The restriction of political latitude and the trampling of liberties paved the way to violence, war, and greater destruction.

The FSLN also fueled the flames of war by suppressing the people's sacred right to be freely and truthfully informed, by restricting workers' right to organize into non-Sandinist trade unions, and by trying to paint the entire civilian society (trade groups, labor unions, professional associations, neighborhood committees, youth and children's organizations, etc.) red and black in its obsessive passion for uniformity.

It also promoted war and discord by silencing the voice of the Catholic Church, offending the very deep sensibilities of Nicaraguans and physically and morally abusing Catholic priests.

By proclaiming the principle of a mixed economy while at the same time illegally and arbitrarily confiscating fully productive property just to slake its ideological thirst for imposing a statist economic model in Nicaragua, President Ortega's government contributed directly to this war among Nicaraguans.

The imposition of an agrarian reform model based on state ownership of property, ignoring the historic demand by the peasantry to own its own land, also fostered war and forced the peasants to become one of the social bases of the counterrevolution.

Nor can we fail to mention the authoritarianism and sectarianism the Sandinists tried to impose on the indigenous communities of the Atlantic Coast. These people's customs and traditions were completely ignored as they were forced to go on the warpath.

And we can say no less of the Mandatory Military Service. There is nothing patriotic about the coercive recruitment of young men who are forced to die in defense of the political party that is in power.

The facts that we have mentioned—and these are not all—demonstrate that the armed conflict in Nicaragua can be traced to internal causes, and therefore it is the Sandinist Government that is primarily responsible for seeking an immediate solution. It must accept that this is a civil war, a war among Nicaraguans of opposing ideologies who are struggling for power, which they could earn fair and square if they won it in free elections.

No one is denying that the armed rebels are encouraged and financed by the United States Government, but it is equally obvious that the military spending of the Sandinist Government is financed by the Soviet Union and other socialist bloc countries. For this reason, it cannot be said that this is a war between the Soviet Union and the United States.

Behind each of the powers we know there are clearly defined interests, and both are taking advantage of the Sandinists' contradictions and imprecision to advance

their own strategic objectives. Jeopardizing our fate and giving the superpowers a chance to intervene in Nicaragua is another sin of the Sandinist foreign policy, which has been unable to achieve true nonalignment.

Meanwhile, we will accomplish nothing with condemnatory remarks; it is Ortega who must realize the fundamental ideals contained in the Esquipulas II agreements.

The goal is to establish an open society, governed by a democratic political system in which the individual lives under the rule of law, fully enjoying the guarantees and individual and social rights that will enable him to realize his true potential as a human being.

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